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Great American Group *of Insurance Companies*

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THURSDAY, AUGUST 14, 1952

Fireman's Fund Group

401 CALIFORNIA STREET • SAN FRANCISCO 20, CALIF.

August 1, 1952

OFFICE OF THE PRESIDENT

TO THE NATION'S 500,000 INDEPENDENT
INSURANCE AGENTS AND BROKERS:

Last June we advised you that three issues of our monthly IDEA INDEX and a special edition of our magazine, the FIREMAN'S FUND RECORD, would be devoted to today's crisis in automobile insurance and the active part that you can play in arousing public opinion in your community.

The large number of requests received for this material makes it evident that more and more agents and brokers are keenly aware that they must join the fight. They know that if rates keep climbing, insurance companies may no longer be able to offer automobile protection at an acceptable price and an important part of the producers' livelihood will be lost.

If you haven't already done so, I urge you again to send for this material. It will give you specific methods and means to convince policyholders, your local press and radio, civic leaders, public officials and others in your community, that the daily slaughter on our highways must stop...that teen agers must receive adequate driving education...that excessive jury awards must be curbed...that the driving public must realize that it alone can bring down the cost of automobile insurance.

Sincerely yours,

[Signature]

President



FIREMAN'S FUND INSURANCE COMPANY • HOME FIRE & MARINE INSURANCE COMPANY
FIREMAN'S FUND INDEMNITY COMPANY • WESTERN NATIONAL INSURANCE COMPANY

Fireman's Fund Group, Advertising Department,
401 California Street, San Francisco 20.

Please send me the special issues of IDEA INDEX and FIREMAN'S FUND RECORD devoted to today's crisis in the automobile insurance field. K

First Six Months' Results Shown

	Assets June 30	Surplus to Policy- holders June 30	Change in Surplus from Dec. 31 1951	Net Premiums Written First Six Months 1952	First Six Months 1951
Aetna Group	209,051,006	54,713,379	723,486	63,776,369	62,781,568
Allied Mutual Cas.	7,814,331	2,275,760	53,966	3,284,099	2,647,463
Allstate	117,062,355	26,758,311	5,374,128	37,388,792	40,813,626
American Auto	73,819,815	22,357,201	2,269,540	25,044,052	24,575,077
American Auto Fire	18,551,199	7,484,490	676,848	7,789,443	8,119,529
American Av. & Gen.	9,193,472	2,938,942	64,482	2,736,137	1,908,075
American & Foreign	19,092,012	7,344,876	102,575	4,655,234	4,461,152
American General	14,382,150	6,476,608	326,447	4,340,186	3,254,915
American States	16,567,650	4,331,681	438,831	8,506,590	6,761,940
American Surety	74,678,999	18,542,078	-1,908,791	21,173,920	20,528,640
Anchor Cas.	11,275,474	2,593,528	-198,576	4,649,486	4,932,010
Associated Indem.	20,735,693	7,839,535	-496,706	5,298,210	5,966,092
Auto-Owners	22,396,683	6,490,687	-490,370	8,952,838	7,538,846
California Comp.	9,981,511	1,522,639	181,517	4,203,991	4,054,202
Calvert Fire	59,429,799	18,356,007	1,692,656	21,712,696	14,891,503
Country Mutual Cas.	14,883,992	3,330,242	553,403	6,994,062	6,137,878
Detroit Auto Exch.	36,634,704	13,657,014	1,158,872	12,043,286	10,837,764
Employers Fire	20,732,672	7,288,744	313,488	8,572,416	6,426,927
Employers Re.	1,717,582	8,304,633	1,237,083	7,846,115	10,554,489
Factory Mutual Indab.	28,941,172	15,419,210	-195,247	7,615,943	6,279,489
Farm Bur. Mut. Auto.	70,952,555	17,276,702	709,631	41,409,966	32,922,305
Farmers Exch.	63,734,650	20,850,819	448,756	37,021,714	32,064,234
Fidelity & Deposit	54,336,316	27,221,385	1,348,761	9,213,699	9,641,668
Fire Assn.	61,392,512	25,401,400	838,168	14,099,858	21,273,590
Globe Indem.	78,727,086	24,699,028	297,618	22,498,766	4,502,420
Government Employes.	16,127,355	4,589,753	396,311	7,062,917	28,592,530
Indemnity N. A.	142,890,610	47,988,662	2,456,023	36,922,290	62,700,383
North America	420,310,749	250,210,695	13,891,125	67,613,705	10,370,936
L. & L. G.	41,948,045	14,876,457	446,530	10,672,775	4,805,754
London & Lanc. Indem.	14,871,987	3,163,753	-161,745	4,909,138	2,883,310
Motorists Mutual	8,607,681	2,599,278	221,336	3,767,249	5,176,680
National Auto & Cas.	13,756,181	2,547,291	332,138	7,125,836	7,474,980
National Casualty	16,278,780	7,053,883	-610,746	8,024,237	13,504,028
National Indem.	4,220,688	847,871	102,294	893,563	5,945,796
Natl. Union Fire	51,476,532	15,665,804	373,001	14,081,910	15,985,402
Newark	24,900,891	9,129,133	273,598	6,236,996	4,429,466
Ohio Casualty	43,381,190	11,595,293	404,187	19,076,593	2,875,046
Ohio Farmers	18,293,663	6,595,080	165,944	5,509,319	13,494,720
Ohio Farmers Indem.	10,360,621	2,752,678	118,039	4,125,336	7,446,258
Pacific Employers	27,948,946	4,493,872	305,766	8,742,813	9,153,804
Pacific Natl. Fire	36,669,982	15,886,059	35,603	7,702,202	5,484,940
Philadelphia F. & M.	59,405,145	36,269,857	1,873,152	8,685,822	3,527,797
Potomac	19,907,560	6,980,469	267,652	6,367,832	11,736,706
Reliance	14,644,416	5,755,317	308,077	3,527,797	23,396,099
Royal	47,914,356	16,932,796	540,678	12,117,945	1,807,528
Royal Indem.	86,143,163	26,291,697	112,681	24,872,276	8,566,812
Security Mut. Cas.	18,282,293	5,839,824	127,192	2,957,047	2,370,641
Service Cas.	29,614,219	8,044,077	157,514	13,568,029	8,584,688
Star	21,529,498	7,623,810	-41,539	5,551,802	2,663,022
Texas Employers	16,942,837	4,616,203	237,114	10,083,481	8,236,427
Transit Casualty	9,951,643	1,828,698	124,257	3,014,916	7,532,417
Truck Exch.	19,446,878	4,334,513	476,128	9,669,377	4,848,581
United Pacific	18,216,583	4,367,000	57,000	6,592,186	
United Services Auto.	14,922,620	4,410,808	193,803	5,671,169	

Great American
Units Report

Great American at June 30 reported assets of \$133,533,780, premium reserve \$53,455,063, capital \$10 million and net surplus \$55,369,330. The latter figure compares with \$52,324,482 at Dec. 31.

American Alliance had assets of \$23,697,866, premium reserve \$9,038,951, capital \$3 million and net surplus \$9,521,840 as against \$8,958,408 at Dec. 31.

American National Fire had assets \$6,688,661, premium reserve \$2,748,058.

The assets of Detroit Fire & Marine were \$9,742,609, premium reserve \$3,713,274, capital \$1 million and net surplus \$4,359,919 as compared with \$4,096,962.

Massachusetts F. & M. had assets of \$8,670,222, premium reserve \$3,713,274, capital \$1 million and net surplus \$3,301,914 as compared with \$3,037,990.

The assets of Rochester American were \$11,099,923, premium reserve \$3,713,274, capital \$1½ million and net surplus \$5,154,935 which compares with \$4,866,808.

Drop Some State Fund Cover

MONROE, WIS. — The Green county board of supervisors has voted to withdraw insurance on motorized vehicles and road machinery from the Wisconsin state fund and place it with insurance agencies in the county. Property insurance will be continued in the state fund.

H. Paul Gotsch Resigns

H. Paul Gotsch has resigned as executive secretary of Colorado Assn. of Insurance Agents. He has not as yet announced his future plans.

O.K. Excess of Loss
Coverage in Texas

The Texas board of insurance commissioners has approved the writing in that state by North America of its excess of loss (catastrophe) coverage with minimum retention of \$500,000, holding that it is to the interest of the public and the people of Texas that such coverage be provided.

The board found that such risks or classes of risks are different from those for which premium rates have been determined by it heretofore and that the statistical experience now available is not sufficient to enable the board to fix a proper rate of premium in advance. It therefore directed that such business shall be written at premiums to be determined by the company, but with the proviso that any such risks written by any company and the premiums therefor be reported to the board immediately, and that such premiums shall always be subject to review by the board.

Many Tenn. Applicants Fail

NASHVILLE — Out of 676 applicants for agents' licenses in Tennessee for the year ending July 1, first for the operation of the new agents' qualification act passed by the 1951 legislature, 157, or about 23%, failed to pass the examination.

George L. Goss, secretary Tennessee Assn. of Insurance Agents, says of the results of the law, which was strongly sponsored by his association: "If there had been no agents' qualification law there would have been 157 unqualified persons who probably would have received certificates of authority under the previous method of licensing."

He praises Commissioner Allen for his handling of the situation.

Chicago C.P.C.U.
Adds Attractions
to Oct. 30 Bill

An innovation this year will be launched by the Chicago chapter of C.P.C.U. in presenting a forum as a curtain-raiser to the annual All-Industry luncheon scheduled for Oct. 30 at the Palmer House. A. M. Devroye of Miller's National is general chairman.

The chapter is offering a series of panels on current insurance subjects beginning at 10 a.m. Topics and the chairmen, all of whom are C.P.C.U.'s are:

Excess fire insurance, Donald M. Wood, of Childs & Wood.

Composite rating in casualty and property insurance, Robert M. Babbitt, Jr., Joyce & Co.

Problems in affording all risk liability insurance, Frank R. Miley of W. A. Alexander & Co.

Employe benefits, Alice M. Chellberg, American Mutual Alliance.

The subjects were recommended by Mid West Buyers Assn. which is further cooperating by furnishing panel participants from its membership. The forums as well as the luncheon following are open to all segments of the industry and insurance buyers.

The All-Industry luncheon, which has since been adopted in other principal cities originated at Chicago in 1944. Its main purpose is to honor those in the area who have been awarded the C.P.C.U. designations. The actual conferences are made at the national meeting of the C.P.C.U. Society which is being held this year at St. Louis, Sept. 17-19.

Insurance Ad Conference
Program Is Announced

The program for the annual meeting of Insurance Advertising Conference Sept. 7-9 at Pocono Manor, Pa., has been announced. The first day is built around the theme, "I.A.C. and the Insurance Industry." The second day will highlight the teen-age driver problem. Rhea Hurd, American-Associated, is vice-president and program chairman.

Speakers will include Frederick W. Doremus, manager of Eastern Underwriters Assn.; Harry E. McClain, secretary-manager of Indiana Assn. of Insurance Agents; Elizabeth F. DeCesari, director of region 1 of National Assn. of Insurance Women, and John V. Down, president Underwriters Assn. of the Middle Department.

In the panel discussion on the teen-age driver problem, Lt. Elmer Faber, public relations officer for the Pennsylvania state police, will discuss "The Highway Patrol's Thought on Accident Prevention." In addition there will be talks on "A Company's Approach to Accident Prevention," the thoughts of a teen-ager and a parent's viewpoint on the same subject.

The president's report will be given by Walter H. Riley, American Surety, at the banquet, at which he will be one of the principal speakers.

New F.P. Teaching Manual

A 64-page book on fire prevention teaching in high schools and junior colleges, written by students in University of Southern California, has been published by International Assn. of Fire Chiefs. The manual, the first of its kind ever compiled, was the work of 43 students under the direction of Dr. C. C. Crawford, professor of education at U.S.C. They received technical advice and assistance from fire chiefs, fire prevention engineers and insurance organizations.

Dwelling Cover
Combination Filing in
Pa. Excites InterestIndivisible Premium for
Fire, E.C., A.E.C.,
Theft, Liability

Much interest is being taken in the filing in Pennsylvania on the part of Multiple Peril Insurance Rating Organization of a comprehensive dwelling policy which constitutes a combination of coverages that can be purchased separately.

The policy is to be written as an indivisible form at an indivisible premium. Tariff rates are used in the rate make-up but there is a substantial deduction because of savings in the home office handling expense and because of improved risk selection.

Although there can be no agreement among the companies as to the rate of commission it is understood that a reduced rate of commission can be expected due to the discount that is granted from the aggregate of tariff rates.

Two Combinations of Coverage

There are to be two combinations of cover, one contract to be known as Home-owners Policy A and the other as Home-owners Policy B. The latter will contain the protection afforded by the additional extended coverage endorsement whereas policy A will not do so. Both policies give a combination of a standard fire insurance form, extended coverage endorsement, the household theft endorsement that is designed for attachment to the fire policy, the comprehensive personal liability endorsement for use with the fire policy and medical payments coverage. The comprehensive personal liability endorsement filed in Pennsylvania is virtually the same as that being filed nationwide by National Bureau of Casualty Underwriters, except for editorial differences. Specifically the coverages under policy A are: (1) Fire, explosion, riot, civil commotion, aircraft, vehicles, smoke, theft, removal, and, subject to a \$50 deductible, windstorm and hail; (2) comprehensive personal liability—bodily injury and property damage, and medical payments. Household and personal property on or off the premises is subject to a limit of \$500 on boats and their equipment, \$100 on money, \$1,200 on securities and manuscripts and \$1,000 on any single unset gem or article of jewelry or fur.

Coverage B is the same except that under (1) there is included vandalism and malicious mischief, vehicles, water escape, rupture of steam and hot water heating systems, ice, snow and freezing, fall of trees, collapse and glass breakage, which will be recognized as the AEC combination.

Des Moines Placement Plan

The Des Moines city council has authorized payment of insurance premiums on three groups of municipal properties as the beginning of insuring all such properties under a plan recommended by Des Moines Assn. of Insurance Agents.

Premiums to be paid for this year will total \$11,644. On expiration of other policies, the properties will be included in the new plan.

N.A.I.A. Plans Steps to Combat Bad Auto Situation

National Assn. of Insurance Agents, through its New York headquarters, will prepare and compile information and data on all phases of the present serious automobile situation which will be made available to state associations. This action was authorized by the N.A.I.A. executive committee at its meeting at New York City.

Walter M. Sheldon of W. A. Alexander & Co., Chicago, N.A.I.A. vice-president who, as chairman of the executive committee, presided, said that this decision was made following a thorough discussion and analysis of the problem. The increasing toll of injuries and fatalities, which, together with high jury awards and mounting repair costs, have raised automobile insurance rates and brought a threat of compulsory insurance, were cited by Mr. Sheldon as compelling reasons for the producers to wage a vigorous campaign to combat the problem.

Members of the executive committee attending included J. F. Van Vechten, Akron, O., president; John H. Carney, Eau Claire, Wis.; Robert Maxwell, Texarkana, Ark.; Joseph A. Neumann, Jamaica, N. Y.; Kenneth Ross, Arkansas City, Kan., and E. J. Seymour, Monroe, La. In addition, Harry T. Minister, Columbus, O., chairman and Louie E. Woodbury, Jr., Wilmington, N. C., member of the finance committee were present.

Trickett Takes A.M.A. Post

NEW YORK — American Management Assn. has appointed Joseph M. Trickett to the newly-created position of associate director of management education study. He has been dean of the

school of management at Golden Gate College, San Francisco.

The association is conducting its research study, "Management Education for Itself and Its Employees," at the invitation of the fund for adult education established by the Ford Foundation.

Before joining Golden Gate College Mr. Trickett was director of organization planning for Columbia Steel Co., San Francisco, west coast subsidiary of U. S. Steel, and before that was in personnel work with Standard Oil of California.

Dearborn National Merger Approved in Michigan

LANSING, MICH. — Commissioner Navarre has approved the merger of Dearborn National Casualty into Dearborn National. Both are controlled by D. F. Broderick of Detroit.

The approval comes after over two years of controversy between the companies and the Michigan department over investments in interlocking Broderick-controlled enterprises.

In declaring the legal actions closed, Judge Salmon of Ingham county circuit court held that grounds for the receivership proceedings had been removed by the merger, and held that the corporation can resume possession of its property and continue to carry on its business.

Dearborn National is the surviving company but it reorganizes as a casualty insurer. Its fire business is reported to have been wholly reinsured while the other carrier's casualty business, mainly automobile, has expired. Outstanding claims of some \$100,000 must be paid by the merged organization before it will be possible to seek a license for it.

Frank Cotten, III, of the Sun Realty Co. agency, Colorado Springs, will be married there Aug 23 to Miss Marijane Might.

Agency Views on U. & O. Selling Are Tabulated

Connecticut Assn. of Insurance Agents has made public the results of the Eastern Underwriters Assn. survey on agency opinion on business interruption insurance. This was made known to the Connecticut group by F. W. Doremus, executive manager of E.U.A.

Up to June 1 there had been returned to E.U.A. headquarters 1,418 out of 7,294 questionnaire cards. There were 469 agents replying who indicated they do not write business interruption insurance while 951 said that they do write such risks.

In answer to the question "What are the three main points of sales resistance?", there were 506 that replied lack of knowledge, 296 cost, 208 reluctance to reveal figures, 282 complex rules and forms and 76 loss adjustment complications. On the score of "What suggestions would you make to increase the sale of this important coverage?" they received 68 that replied advertise, 416 simplify, 64 lower rates, 58 loss case history, 256 educate, 27 change name, 41 add to fire policy.

See Tenn. Department Shift; McCormack May Return

NASHVILLE — Frank Clements, Dickson attorney, was nominated for governor in the Tennessee Democratic primary, equivalent to election, defeating Gordon Browning for his fourth term of two years. Since Clements was backed by E. H. Crump, Memphis political leader, it is certain that there will be a successor to M. O. Allen as insurance commissioner. It is known that James M. McCormack, who served as commissioner for 10 years prior to the Browning regime, anticipates returning to the position and has so expressed himself to friends in the east.

Due to ill health, Mr. Allen may welcome a return to his own agency in east Tennessee.

Francis to Olin Industries

Bion H. Francis has resigned as secretary of Massachusetts Insurance Buyers Assn. at Boston to become manager of a new centralized insurance department of Olin Industries, New Haven, Conn. He was formerly insurance manager of Wellington Sears Co. and West Point Manufacturing Co. and director of the insurance division of American Institute for Economic Research, Cambridge, Mass. He is well known as a speaker and writer on insurance subjects.

Lapeer Liquidation Aided

LANSING, MICH. — Judge Coash of the circuit court here has denied a motion for rehearing of a previously rejected motion to vacate ex parte orders allowing payment of attorneys' and trustees' fees in connection with the liquidation of Lapeer Farmers Mutual Fire, which has extended over 17 years because of the refusal of a group of former members to pay assessments.

If Judge Coash's latest order is allowed to stand, after appeal to the supreme court, it is expected to pave the way for a dividend to creditors which

will bring total payments above 50%. The organized resistance to assessments, which exploded into violence recently when officers forcibly evicted a widow from the farm she had allowed to be sold on an unpaid lien, had so greatly increased litigation costs that assessments collected were insufficient to pay off the mutual's debts in full.

Mutuals Take Stand on Lapeer Issue

American Mutual Alliance has prepared a lengthy statement on the activities in the vicinity of Lapeer, Mich., that dates back to the failure of Lapeer Farmers Mutual Fire in 1935. These activities have been extensively publicized and got into Life magazine recently where the assertion was made that members of Lapeer Farmers Mutual did not realize they were subject to assessment because they had not read the "fine print" in their policies.

American Mutual Alliance has a lengthy statement of the history of these matters and sets forth its evaluation of the whole situation and concludes with this statement:

"What is the competitor who uses such material trying to prove when he attempts to link the entire institution of mutual insurance with the eviction of farmers in Lapeer county, Michigan?"

"1. He is trying to sell the idea that because the Lapeer Farmers Mutual Fire Insurance Assn. issued assessable policies, all mutual policies are assessable. This is an outright falsehood. A non-assessable policy shows on its face that it is non-assessable, and there is a wealth of court decisions to the effect that it never can become assessable.

"2. He is trying to sell the idea that a mutual policyholder can lose everything because of failure to pay a small assessment. There was no need for the individuals involved in the Lapeer incident to lose anything; they were given every opportunity to pay a small assessment, just as the other policyholders did; they had had the benefit of low-cost insurance protection for years under their policies, and had been paying assessments for years.

"3. He is assuming that prospective customers are so ignorant of insurance that he can use misrepresentation to play upon their fears. This is an amazing performance in view of the continuing claims of insurance producers that they should be looked upon as professional men.

"Any competent mutual insurance producer who finds competitors using the Lapeer material in an effort to undermine mutual insurance should not look upon the situation as an annoyance. He should look upon it rather as an opportunity to call public attention to his competitor's shortcomings as an insurance adviser."

Richmond Agents Run Ads

Richmond Assn. of Insurance Agents is running newspaper advertisements reminding policyholders that the Virginia legislature has increased the maximum legal liability in case of wrongful death from \$15,000 to \$25,000.

Association members are listed and the ad urges assured to get in touch with them to make certain insurance programs meet state requirements.

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PUT OFF KY. HEARING

Companies Strongly Oppose Agent Attacks on M.L. Plans

The companies mustered strong armor at a Kentucky department hearing at Frankfort to defend the multiple location fire rating plans against charges by Kentucky Assn. of Insurance Agents that they are "unfairly discriminatory to the insuring public."

The hearing, suspended until Sept. 15, ran 4½ days and indications are that it will take the company interests about two or three days to complete their testimony, and three or four days for agent representatives to complete their part of the hearing.

Appearing in defense of the plans were John N. Reed, counsel, and T. D. McCarl, secretary-manager, of the Multiple Location Service Office; George R. Carey, chief counsel of America Fore; Robert M. Loeffler, counsel, and H. F. Perlet, manager, of National Insurance Service & Advisory Organization, and Paul Dina, accountant of Royal-Liverpool. Kentucky Inspection Bureau was represented by T. M. Galphin, Louisville insurance attorney, and the agents by Joseph Leary, Frankfort attorney. James Creal, department attorney, conducted the hearing.

First Agent Attack

Opposition has been expressed elsewhere as to whether rating credits allowed under multiple location plans comply with state rating laws but it is said this is the first time they have been criticized on these grounds by agents. For the most part the Kentucky plans, approved last year are the same as those now in effect in 40 other states, Alaska and the District of Columbia. Multiple location arguing in the past has been among companies with respect to the problem of satisfying requirements of state rating laws, though the question pretty much was resolved with the setting up of the plans administered by M.S.L.O. and N.I.A.A.

Because an adverse decision could have reverberations, the companies apparently are determined to carry the issue through to a conclusion. It also is said that regardless of the decision, the matter will be fought on through the courts.

Besides justifying credits for multiple location risks on the grounds of lower underwriting costs, company representatives described them as being customary and traditional. The agents contended, however, that historical data were irrelevant and that purpose of the hearing was to test the element of discrimination in the plans as approved and in use.

In successfully presenting a dismissal motion for the companies, Mr. Galphin mentioned that the agents did not have authority to represent the insuring public and had no standing. It was his argument that they could represent only their principals, the companies, and themselves, interests which he termed "actually adverse to the public." He claimed that higher insurance premiums would result if the plans were disproved.

Says Commissions "Real Motive"

According to Mr. Galphin, a letter and a memo to the Kentucky bureau indicated that loss of commissions and not unfair discrimination against assured was the "real motive" behind the agents' action. He said agents receive only 15% commission on multiple location plans but that on specific insurance they get as much as 30%, plus an allowance for favorable experience. In view of this, he went on, the hearing never should have been called because the department has no jurisdiction over commissions.

W. Culver Vaughan, Louisville agent who, along with Sterling Thompson and E. Ewing Carrico of that city, wrote the letter, said that it termed the Ken-

tucky multiple location plans unfairly discriminatory because their credits and discounts were not available to identical risks for identical coverage under specific insurance.

Mr. Vaughan read the letter and memo which stated that under multiple location form No. 1, commission was a straight 15%, compared with commissions ranging from 20% to 30% under form A (specific location insurance), on which such business was written. It also was stated that agents' commission was further reduced under form No. 1 because the new premium amounted to less by virtue of credits and discounts. The agents were not complaining about the credits as such, but the fact that they had not been available to all risks,

Mr. Vaughan stressed.

The plans were characterized by Mr. Leary as being burdensome to the small business man. He explained the agents considered it unfair that large organizations such as chain stores should be given insurance credits not available to small, independent merchants with similar exposures. It was his contention that fire insurance always has been based on class experience and was the only type of experience recognized by Kentucky law. He wanted to know from

(CONTINUED ON PAGE 20)

COAST TO COAST
SEARS, ROEBUCK PROPERTIES

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ADT

End Cal. Hearings on State Farm Union Issue

Hearing has now been completed at San Francisco on the appeal by the CIO, of a National Labor Relations Board ruling that agents of State Farm Mutual Automobile and State Farm Life are independent contractors and that a collective election would not be required. The hearing at San Francisco was be-

fore Jerome H. Brooks, NLRB trial examiner. Final witness was A. W. Tompkins, agency vice-president of State Farm. He testified under examination by Jay Darwin, CIO attorney. The CIO lays much stress on the fact that State Farm took steps in 1945 to bring their agents under the federal social security system.

The NLRB ruling that the State Farm agents are independent contractors and hence do not come under the national

labor relations act was given last March 20. The CIO then submitted a petition to set aside that verdict on the ground that additional evidence was available to support the contention of the CIO that the State Farm agents are under the economic necessity of being dependent on the State Farm for their livelihood. This petition was allowed and the hearing has now been concluded on the additional evidence.

\$700,000 K.C. Action

Ask Flood Loss Recovery on "Explosion" Theory

The 48 member companies of Underwriters Grain Assn. have been made defendants in an action by the Hart-Bartlett-Sturtevant Grain Co., of Kansas City, Mo., in circuit court of Jackson county at Kansas City, Mo.

Claims totaling some \$700,000 are being pressed in this case on the theory that what happened to the company's River Rail Terminal elevator at Kansas City, Kan., during the flood of July 17-20, 1951, constituted occurrences classifying as explosions and coming within the extended coverage endorsement. They presented claims for \$325,000 for damage to the grain and some \$340,000 business interruption loss. Then there is asked 10% extra damages for vexatious delay and \$30,000 on each count for attorney's fees.

There were some two feet of water in the elevator which was a concrete structure. The bottom part of the elevator gave way and the insured sets up the argument that there were a number of occurrences that would classify as explosions which brought this about.

Program for Kansas Agents' Annual Meeting Announced

The program for the annual meeting of Kansas Assn. of Insurance Agents Oct. 15-16 at Topeka is practically completed.

Speaker at the "kick-off" luncheon Oct. 15 will be Joseph F. Leopold of Dallas on "Tax Equality." A two-hour panel on general insurance follows. The past presidents dinner and a buffet for all registered guests followed by entertainment are both scheduled for that evening. John G. McFarland, western manager of American and a former Kansan, will speak at the farm writing agents' breakfast Oct. 16. At the general session that morning President Howard N. Fullington of Dulane, Johnston & Priest, Wichita, will give his report, followed by Kenneth Ross, Arkansas City state national director and a member of the executive committee of N.A.I.A. and Walter M. Sheldon, Chicago, vice-president of N.A.I.A. Afternoon speaker will be Kansas Commissioner Frank Sullivan, a past president of N.A.I.C. and James R. Gregory, vice-president Rough Notes Co., on "What It Costs to Run An Insurance Agency." The resolutions committee report, election of officers, presentation of awards, and other business will conclude the session. The banquet and president's ball will be held that night.

The executive committee meets following the convention with the newly named members to organize for the new year and approve committee appointments of William Kline of Hutchinson, the president-elect named at the 1951 convention at Kansas City.

The local committee of the Topeka Insurers, hosts, is headed by Webb Woodward, a past president of the Kansas association, as general chairman.

B. I. Mitchell to K.C. Post

Bernard J. Mitchell has been transferred by Aetna Fire to Kansas City to succeed Phil H. Bevan who resigned to enter the local agency business. Mr. Mitchell has been in field work in northern Ohio, specializing in marine activities.

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Mutual Insurance Groups Plan Huge October Meeting

The combined annual meetings of American Mutual Alliance, Federation of Mutual Fire Insurance Companies, National Assn. of Automotive Mutual Insurance Companies, National Assn. of Mutual Casualty Companies, National Assn. of Mutual Insurance Agents and National Assn. of Mutual Insurance Companies will be held Oct. 12-17 at Hotel Ben Franklin, Philadelphia.

This will be the largest mutual insurance gathering in history. About 2,500 mutual insurance executives from all sections of the country will attend. It is the first time that all these organizations have arranged to hold their annual meetings at the same time and place. The joint sessions will climax the nationwide program observing the 200th anniversary of mutual insurance in this country.

H. J. Pelstring, Philadelphia, president of Pennsylvania Lumbermen's Mutual, is general chairman of the sessions. Vice-chairmen are James T. Haviland, Philadelphia, vice-president of Lumbermen's Mutual Casualty; Guy C. Eaby, Lancaster, Pa., secretary of Pennsylvania State Assn. of Mutual Insurance Companies, and J. H. R. Timanus, recently retired secretary of the Philadelphia Contributionship and chairman of the mutual insurance 200th anniversary committee.

A special feature of the week-long program will be detailed appraisals of the problems to be faced by insurance companies in the years ahead. These appraisals will be presented at three half-day sessions. They will be based upon material presented at the mutual insurance 200th anniversary "Conference on the Future" last March at New York.

Catastrophe Loss Group Is Organized in Maine

Representatives of Maine field men, adjusters, agents and companies at a meeting at Augusta organized a catastrophe loss committee which would implement the catastrophe plan of the National Board. The meeting was of an emergency nature because of the dangerous forest fire situation in the state.

Organizations represented were General Adjustment Bureau, Pine Tree State Field Club, Maine Assn. of Insurance Agents, Maine Mutual Companies, New England Fire Insurance Rating Assn. and independent adjusters.

Prominent Figures Are Scheduled for Ill. Agents Rally

Finishing touches are now being put on the program and arrangements for the annual meeting of Illinois Assn. of Insurance Agents at Springfield Sept. 8-9.

The speakers include some of the most prominent figures in the country. They include James Cahill, secretary of National Bureau of Casualty Underwriters, and Walter M. Sheldon of W. A. Alexander & Co., Chicago, who is vice-president of N.A.I.A. and who will become elevated to the presidency at the Cleveland convention.

There will be a luncheon meeting Sept. 8 at the Leland hotel with Joseph F. Leopold of Dallas speaking on "You and the Public." He has a nation-wide reputation and speaks on tax subjects.

At the session the next morning there will be a panel discussion featuring Karl Phelps, manager of Illinois Inspection Bureau, a number of his assistants and the chairman of the rules and forms committee of Illinois Assn. of Insurance Agents. Members are invited to send questions in advance, to be brought forth on that occasion.

Another speaker at that time will be D. C. Girardot, regional supervisor for Illinois of Western Adjustment, speaking on "What Happens After the Loss." Then there will be a discussion of insurance appraisals by Sheldon Berkson of First Appraisal Co. of Chicago.

Joseph F. Prola has been designated as general chairman of the meeting. J. Oliver Orr, reception chairman, Elizabeth C. Crowder, registration, Harold W. Oleson, publicity, Newton C. McVay, housing, and Ruth H. Smith, ladies.

The convention will close with the annual banquet Tuesday evening Sept. 9.

A.I.U. Has Pakistan Exhibit

NEW YORK — Honoring the fifth anniversary of Pakistan independence, American International Underwriters has an exhibit of Pakistan manufactured and handcraft articles in the ground-floor windows of its head office here.

Amjad Ali of Pakistan, president of the United Nations economic and social council, spoke at the opening of the exhibit Wednesday, tracing the rapid progress of Pakistan in the last five years and praising the role of banks and of insurers such as A.I.U. in helping to protect foreign and domestic investments there.

Those on hand included other Pakistani dignitaries and A.I.U. officers. A. E. Gilbert, executive vice-president of A.I.U., welcomed the gathering. W. S. Youngman, Jr., president of C. V. Starr & Co., with which A.I.U. is affiliated, was host at luncheon following the opening. The display is the first in a series of international exhibits.

Detroit's Licenses Revoked

LANSING, MICH. — Licenses of Henry A. Behrendt of Detroit have been ordered revoked following a hearing in

the Michigan department before A. H. Butterick, special deputy commissioner.

Behrendt was accused of soliciting fire policies and retaining certain commissions on this business although not licensed as a fire agent. He also was charged with arranging for placing of casualty business with other agents although the business was acceptable to carriers for which he was licensed.

It was stated that he "may again apply for and receive a license upon satisfying the commissioner . . . that he meets the statutory standards for the licensing of insurance agents."

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NEWS OF FIELD MEN

North British Names Lewis State Agent in Arkansas

The North British group has appointed George W. Lewis, Jr., state agent in Arkansas to succeed Jack G. Parsons, who will be transferred to the New York office Sept. 15 to assume greater responsibilities.

Mr. Lewis is a graduate of University of Arkansas and an army veteran. He has been with the L. B. Leigh & Co. general agency of Little Rock for 3½ years as special agent.

Names Lowrance, Stone

E. J. Lowrance, formerly state agent for Home at Charlotte, N. C., has been transferred to Columbia, S. C.

D. M. Stone, formerly manager of the

service department in North and South Carolina, has been transferred to western North Carolina as a state agent. He will continue to make his headquarters at Charlotte.

Elder Is New Agricultural State Agent in Kentucky

Agricultural has appointed Edward L. Elder state agent for Kentucky.

Mr. Elder for some time was with Kentucky Inspection Bureau as a field man traveling the state at large. Before taking over his field assignment he spent some time at the company's home office.

Cunningham in Coast Field

Harold C. Cunningham has been appointed special agent in the north coast

counties of California by Great American. He will assist Special Agent Owen W. Parker.

Mr. Cunningham has been with the company for some time, both in the field and with the Pacific department at San Francisco. Both Messrs. Parker and Cunningham will have headquarters at Oakland.

Shift Bergstrom to Mich.

Ralph E. Bergstrom, Illinois state agent of Pacific National and Paramount Fire, has been transferred to Michigan for those companies as associate state agent. He has been with the companies for 12 years.

Williams in N. C. Field

Frank Williams has been appointed special agent in North Carolina, with headquarters at Greensboro, for the Milwaukee, Girard and Metropolitan Casualty of the Loyalty group. He succeeds

Byrl Higgs, who recently went with London Assurance. Mr. Williams started with the group at Atlanta as an underwriter in 1947, becoming a special agent in Georgia in 1950 for Firemen's and Metropolitan Casualty.

Lawrence Hoban has resigned as special agent at Rochester, N. Y.

New American Office in N. J.

American opened a new field office at Clinton, N. J., with Special Agent Palmer A. Weis in charge, assisted by Special Agent John K. Woodworth.

Mr. Weis is a veteran field man who has been with American since 1938. He had prior experience with Chubb & Son in the automobile and collection departments, and for eight years was in local agency work.

Mr. Woodworth, a graduate of American's advanced multiple line training class, joined the company in 1950. He had experience in various departments in the home office before going into the field last year.

Carpenter to Conn. Agency

James A. Carpenter, Connecticut special agent for Aetna Fire, has resigned to join the Root & Boyd agency at Waterbury, Conn. Mr. Carpenter had been with Aetna since 1946. Before army service he had several years of field experience.

Butt Now with Agency

Fred C. Butt has resigned as special agent for Home in the Washington, D. C., area to go with the Greater Washington agency as assistant secretary.

A veteran of the last war, Mr. Butt had been with Home since 1941.

N. C. Life Company Forms Fire and Casualty Affiliate

RALEIGH, N. C.—A new company, State Capital Insurance Co., which will handle all lines except life and annuities, has been formed by State Capital Life here, with both companies having the same directors and officers. The company has authorized capital of \$1 million in 100,000 shares of \$10 par value. It will write lines which the parent company cannot write under its charter.

Irving F. Hall, president of both companies, has been kept away from his office for months by illness and is still recuperating at Tucson, Ariz. Other officers all hold identical offices in State Capital Life: Graham F. Trott, vice-president; H. F. Ledford, secretary, and T. W. Alexander, treasurer.

N. W. National Shows Gains

Assets of \$38,317,633 at June 30, compared with \$35,244,941 on the same 1951 date, were reported by Northwestern National, Milwaukee. Surplus increased from \$11,996,609 a year ago to \$14,087,038.

Los Angeles F.P. Men Elect

Fire Prevention Engineers of Los Angeles at its first dinner meeting elected David Warren, Liberty Mutual, president. Ray Ellis, Fireman's Fund, was named vice-president, and James Eddie, Pacific Fire Rating Bureau, secretary-treasurer.

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A young man, preferably 25 to 30 years of age, who is interested in production and would welcome a connection with a large insurance agency in Indiana. A knowledge of Fidelity and Surety Lines, though not imperative, would be of value. Write stating full details of business experience and personal data. Address M-67, The National Underwriter, 175 West Jackson Blvd., Chicago, Illinois.

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This agency has recently been appointed managers for the Interstate Casualty Company. We are seeking a man trained in the administrative side of a company's activities. Insurance company experience in such fields as state filings, coding, agency agreements and policy forms is desired. An excellent opportunity to get in on the ground floor of an aggressively expanding company. Contact Cameron Brown, Geo. F. Brown & Sons, 175 West Jackson Boulevard, Chicago, Illinois.

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REED DECENTRALIZES

Gail Reed, veteran well-known Chicago broker, is following the decentralization trend and is moving his office from the Insurance Exchange building to Wheaton, Ill. He will be associated with the Roy Langan insurance agency at 211 West Wesley street there and this happens to be only a block from his home. Mr. Reed at one time was active in the affairs of Insurance Brokers Assn. of Illinois, especially at the time when the Illinois insurance code was in the mill and he took a prominent part in the hearings on that legislation.

LEO WALSH BUYS TODD & CO.

Leo S. Walsh, adjuster for the companies at Chicago, has taken over the adjusting business there of Roy M. Todd & Co. He is moving to larger offices in the Insurance Exchange building.

Mr. Walsh was with Underwriters Adjusting for 15 years before establishing his own office last year. Before joining Underwriters Adjusting, he was with the loss departments of National Fire and London Assurance at Chicago. He has served as secretary of Western Loss Assn. and is past president of Adjusters Assn. of Chicago.

The firm handles all forms of fire, automobile and marine loss adjustments.

MARINERS TO GOLF SEPT. 17

Mariners Club of Chicago will hold its golf outing at St. Andrews Country Club Sept. 17. This is planned as an all-day affair including lunch and dinner.

Priest American's So. Cal. Manager; Levey to Dallas

Ralph Priest has been appointed southern California manager of American to succeed J. G. Levey, who has been transferred to Dallas as manager of the new southwest department.

Mr. Priest has been in the insurance business at Los Angeles for 18 years. He was manager there of New Amsterdam Casualty and also served with Royal-Liverpool in various supervisory capacities.

Charles W. Rathbun has been promoted from special agent to fire and marine supervisor at Los Angeles and James R. Prater has been named special agent there. Mr. Rathbun joined American following army service. Mr. Prater has been an underwriter for several years.

Little Loss in N. J. Storm

NEW YORK—The miniature twister that hit New Jersey Sunday appears to have resulted in little insured damage. By mid-week only four claims had been assigned to the Asbury Park office of General Adjustment Bureau.



50th Anniversary

GRAIN DEALERS MUTUAL marks its 50th Anniversary in 1952, and is participating, as a mutual company, in the nationwide observance of the 200th Anniversary of the successful establishment of mutual insurance in the United States. Few businesses have back of them so much of tradition; of obligations so faithfully met; of public service—as mutual insurance.

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EDITORIAL COMMENT

A Leak at the Seam

In recent weeks we have been told of more and more instances in which insured has attempted to retain two payments for the same loss. Claims attorneys say that there undoubtedly are many such double payments which escape detection. Perhaps one reason for this is the vast increase in the number of losses and claims that has taken place in the past 10 years, due to so many more insured units, in the automobile field for example, and the greater frequency of loss.

An interesting example was that of the automobile insured who collected \$1,200 from his collision insurer for a total loss and \$1,500 from the property damage liability insurer of the other car—\$2,500 for a car worth \$1,250. It is hard to justify this discrepancy between the P.D.L. payment and the physical damage settlement in view of the fact that the same property was the subject of both insurances.

In this case, insured was discovered and will have to disgorge the collision insurance payment. Situations are frequent in which insured is approached by the P.D.L. insurer and settles with that company for the amount of the deductible on his collision insurance. Yet this action, which involves the giving of a release by insured to the P.D.L. insurer, violates the physical

damage insurer's subrogation right. This is a right in common law, whether it is specifically set forth in the policy or not. In only one state, Louisiana, where the Napoleonic code obtains, does the subrogation right have to be established by contract.

An insurer has an excellent chance of guarding against paying a loss already paid by another insurer or another person if it has a good recovery department. That is perhaps one of the reasons, aside from recouping a substantial sum of money, for the considerable increase in recovery departments in insurers in the past 10 years. Once a loss is paid, it goes to the recovery department, and if the situation indicates subrogation rights may exist, a demand is made on the other party, which brings in the latter's insurer, if any. Thus insurer A discovers that insured has been paid by insurer B.

Many elements in today's rising loss costs cannot be controlled or even extensively influenced by the insurance business—inflation, careless workmen, increased units as in automobile. But insurers can and should insist on the correct settlement of losses, one that is fair both to insured and to the rest of the policyholders. It can and is duty bound to guard against overpayments to the greedy and unscrupulous.

PERSONAL SIDE OF THE BUSINESS

Herbert A. Clark, vice-president and western manager of Loyalty group, and Mrs. Clark, with their daughter and son, Richard, who is in the ROTC at Notre Dame, sailed Aug. 10 from San Francisco aboard the S. S. Lurline for Honolulu. They will reside at the Royal Hawaiian hotel at Waikiki Beach, and will return Sept. 8.

Blaylock Atherton, local agent at Nashua, N. H., who is president of the New Hampshire senate, currently is serving the state as acting governor and will function in that capacity for a three-month period while Gov. Adams is acting as chief of staff for General Eisenhower in his presidential campaign.

Lewis Tachau of Louisville Fire & Marine and E. G. Tachau & Sons local agency has returned to Louisville after several weeks spent at the Rusk Clinic, New York. Mr. Tachau suffered a stroke some months ago, while returning to Louisville from the east. He is again able to walk, but so far has no use of his left hand.

Ezra Markley, president of Harleysville Mutual Casualty, was honored in ceremonies marking his 25th anniversary with that organization. Ernest M. Delp, treasurer, presented him with a watch and Otto C. Lee, assistant to the president, with a brochure containing congratulatory messages. He

started in 1927 as a bookkeeper and advanced through various official positions until he became president in 1945. He is also president of the affiliated Mutual Auto Fire. He is a director of Insurance Federation of Pennsylvania, a member of the executive committee of Pennsylvania State Assn. of Mutual Insurance Companies and finance secretary of Eden Mennonite Church at Schwenksville.

Herbert Johnson of Denver, retired state agent of New Zealand, is a candidate for the lower house of the Colorado legislature in the primary Sept. 9.

Marvin Brownlow, general manager of Underwriters Salvage Co. of Chicago, has now gone to his home at Evanston, Ill., from the hospital to complete his recovery from a heart attack. He is progressing on schedule but he will need at least three months at home.

H. J. Hagge, chairman of Employers Mutuals of Wausau, Wis., has returned home with Mrs. Hagge from a 10-week trip to Europe. They motored leisurely through many of the countries.

Lt. General Sir Iven Mackay and Lady Mackay of Sydney, Australia, were visitors to the head office of American Foreign Insurance Assn. Sir Iven is on the advisory board of Hartford Fire in Sydney. The visitors plan a

stop at Washington, D. C., after which they will be entertained at Hartford by D. R. Ackerman, A.F.I.A. president, and member companies there.

Asa Kelly, who has been special legal adviser to Commissioner Navarre of Michigan, has left that post to join the Lansing law firm of Ballard, Jennings, Bishop & Fraser.

W. W. Hamilton, secretary-manager of Illinois Assn. of Insurance Agents and Chicago Board of Underwriters, is now back on the job after undergoing a prolonged period of recuperation at his place on Elk Lake in Michigan, from an illness. He is going into action on plans for the annual meeting of the Illinois agents at Springfield Sept. 8-9.

N. K. Nelson, state agent of Great American at Topeka, has returned to his office following an illness of several months.

Eugene N. Houck, Lansing agent, was elected commander of the Michigan department of the American Legion at its convention at Grand Rapids over the week-end. He is an executive committee member of Michigan Assn. of Insurance Agents and a former president of the Lansing local board.

DEATHS

I. M. Hamilton Dies: Insurance Veteran

Isaac Miller Hamilton, 87, chairman of Federal Life and one of the real veterans in both the life and A. & H. fields, died at his home in Chicago. After earlier experience in merchandising and the practice of law, he founded Federal Life in 1900 and served as its president until 1939, when he became chairman. He was also chairman of the Lake Shore National Bank of Chicago.

Col. Hamilton was the last survivor of the founders of American Life Convention and served as its president in 1910. He was one of the organizers and chairman of Assn. of Life Agency Officers, which established Life Insurance Sales Research Bureau, both organizations being merged into Life Insurance Agency Management Assn. He also assisted in the organization of American Service Bureau and Insurance Economics Society. He had been active in H. & A. Underwriters Conference since its early years and was president in 1918-20. He had served in the Illinois state senate and was prominent in Republican politics. He was president of both Illinois and National Republican Leagues.

His son-in-law, Spencer R. Keare, is executive vice-president of Federal Life.

GEORGE H. SVALE, 59, general adjuster of General Adjustment Bureau since 1950, died at the Paterson, N. J., hospital. He was a graduate of Stevens Institute and had been a loss adjuster for more than 30 years. He joined the bureau in 1937 and had served as adjuster at the Pittsburgh and New York offices.

B. B. BIRD, 59, field supervisor at Raleigh, N. C., of Rain & Hail Insurance Bureau, died of a heart attack.

GEORGE P. McNALLY, 69, special agent in the arson division of the National Board at Chicago, died at his home there after a lengthy illness. He had been with the National Board since

1924. Before that he was a deputy state fire marshal in Illinois. He was a member of the Illinois bar.

W. LORING FERGUSON, SR., 57, president of the Hardin & Ferguson agency at New Orleans and a former executive committee member of National Assn. of Insurance Agents, died at Baptist hospital in New Orleans. A leader in New Orleans insurance affairs for a number of years, Mr. Ferguson started in the business there in 1914 with the Marshall J. Smith & Co.



W. L. Ferguson

agency. After army service he returned to that agency in 1919 and in 1942 purchased an interest in the agency with the name being changed to Hardin & Ferguson. Mr. Ferguson was a past president of New Orleans Insurance Exchange and had been prominent in Louisiana association activities. At the time of his death he was chairman of the New Orleans city insurance committee. A son, W. Loring Ferguson, Jr., is secretary-treasurer of the agency.

BENJAMIN F. EVANS, 72, president of the Evans, Conger, Beyer Co. agency at Norristown, Pa., died at Montgomery hospital there of a heart condition. Mr. Evans had founded the agency in 1903.

WILLIAM ZELL, veteran home office agency supervisor of the A. & H. division of National Casualty, died suddenly at Detroit. He started in 1905 with the old U. S. Health & Accident of Saginaw, Mich. When it was purchased by Massachusetts Bonding, he remained with that company for several years and went to Detroit as special agent of U.S.F.&G. for a territory comprising most of Michigan. Later he joined Michigan Life and assisted in the organization of its A. & H. department. He went with National Casualty in 1932 as assistant agency supervisor and became agency supervisor in 1937.



William Zell

HENRY C. TOWNSEND, JR., a member of the Robert M. Coyle & Co. agency at Philadelphia for 50 years, died unexpectedly at Bryn Mawr hospital.

LEWIS K. FORRESTER, local agent at Shreveport, La., died at his home at the age of 48. He had been in the insurance business there for 25 years.

IRWIN Y. BARINGER, 82, retired president of Perikomen Valley Mutual Fire, died in Perkasie, Pa. He entered the insurance business in 1904.

GEORGE D. POOLE, 60, president of City Insurance Agency, Williamson, W. Va., was found dead following a heart attack in his apartment there.

STEPHEN W. MILLER, local agent at Washington, Pa., died suddenly of a heart attack in a hospital there. He was 74.

SAMUEL PEACOCK, 65, who served with the maritime administration's insurance division after his naval service in the first war and until retirement as a government career official in 1947, died

Howard J. Burrage, President.
Louis H. Martin, Vice-Pres. & Secretary.
John Z. Herschede, Treasurer.
420 E. Fourth St., Cincinnati 2, Ohio.

PHILADELPHIA 9, PA.—123 S. Broad Street, Room 1127, Tel. Pennypacker 5-3708. E. H. Fredrikson, Resident Manager.

PITTSBURGH 22, PA.—503 Columbia Bldg., Tel. Court 1-2494. Jack Verde Stroup, Resident Manager.

SAN FRANCISCO 4, CAL.—507 Flatiron Bldg., Tel. Exbrook 2-3054. F. W. Bland, Pacific Coast Manager.

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at Washington, D. C. He had been second in rank in the insurance division some time before retirement.

ALEX MEDLEY, 59, manager of the Farm Bureau Federation Insurance department at Brandenburg Ky., who was also sheriff of Meade County, died at a Louisville hospital. He had suffered a heart attack at his office at Brandenburg.

J. MARSHALL SMITH, formerly with the Loyalty group at San Francisco, and son of R. V. Smith, veteran independent adjuster, was drowned during an outing near Seattle.

LEWIS E. POPE, 64, St. Paul local agent, is dead. He had been in the insurance business at St. Paul and elsewhere for 33 years.

LOUIS C. ZEPERNICK, 75, for more than 50 years with Hartford Steam Boiler at Boston and an inspector there until his retirement last January, died at his home.

Convention Dates

Aug. 17-19, Washington agents, annual, Chinook Hotel, Yakima.

Aug. 17-20, West Virginia Agents, annual, Greenbrier hotel, White Sulphur Springs.

Aug. 24-26, Wyoming agents, annual, Henning hotel, Cooper.

Aug. 25-27, Federation of Insurance Counsel, Sheraton hotel, Chicago.

Erskine Heads East Mass. Catastrophe Loss Group

Kenneth H. Erskine, assistant regional manager of Liverpool & London & Globe, has been elected chairman of the Catastrophe Loss Conference of Eastern Massachusetts, organized to implement the National Board catastrophe plan.

Jack N. Duffey, Springfield F. & M. state agent, was elected vice-chairman; Kenneth W. Faunce, John C. Paige & Co., treasurer, and Robert M. Boyd, W. A. Muller & Co., secretary.

Organizations belonging to the conference are Assn. of Independent Insurance Adjusters of Massachusetts, Bay State Field Club, Boston Board of Fire Underwriters, General Adjustment Bureau, Insurance Brokers Assn. of Massachusetts and Massachusetts Assn. of Insurance Agents.

Lane Iowa Legislative Chief

E. L. Lane of Independence, president of Iowa Assn. of Insurance Agents, has appointed Arnold W. Cook of Creston chairman of the association's legislative committee.

Announce Oregon Speakers

The program for the annual meeting of Oregon Assn. of Insurance Agents at Portland Sept. 8-9 has been completed. Speakers will be Commissioner Taylor of Oregon; Calvin A. Souther, Portland attorney; A. J. Snow, manager of Oregon Insurance Rating Bureau, who will discuss U. & O., and James C. O'Connor, executive editor of the F. C. & S. Bulletins of the National Underwriter Co.

A panel on auto insurance will be led by Fred C. Reed. Participating will be Earl T. Newbry, secretary of state, who will discuss accident statistics; Thomas O. Carlson, actuary of National Bureau of Casualty Underwriters; Dr. Marland K. Strasser, San Francisco, Assn. of Casualty & Surety Companies, and Paul Warren, assistant to the state superintendent of schools.

Combination Auto Policy Is Now Dropped in Mich.

The combination automobile policy which has been peculiar to Michigan has now been dropped. This was a separate contract and embodied comprehensive, collision, towing coverage and \$100 personal effects protection in a single package.

S. C. Action Clarified

Commissioner Murphy of South Carolina has taken no action on the filing of the non-reduction loss clause by the bureau. THE NATIONAL UNDERWRITER was incorrectly advised in reporting in last week's edition that it was understood that Mr. Murphy had turned down this filing.

HARRY CALLAN, 66, Ohio state fire marshal since 1948, died in a hospital at Youngstown, his home.

STOCKS

By H. W. Cornelius, Bacon, Whipple & Co., 135 So. LaSalle St., Chicago

	Div.	Bid	Asked
Aetna Casualty	3.00*	96 1/2	98 1/2
Aetna Fire	2.25*	58 1/2	60
Aetna Life	2.50*	98	100
American Alliance	1.50*	34	35 1/2
American Equitable	1.50	28	29 1/2
American Auto	2.00	44	46 1/2
American (N. J.)	1.00	26	27
American Surety	3.00	50 1/2	52
Boston	2.60*	68	70
Camden Fire	1.00	22 1/2	23 1/2
Continental Casualty	2.50*	85 1/2	87
Crum & Forster Com.	2.00*	41	43
Fire Association	2.60	62 1/2	64
Fireman's Fund	1.60	57	58 1/2
Firemen's (N. J.)	.80	27 1/2	28 1/2
General Reinsurance	1.20	35	36 1/2
Glens Falls	2.00	59	61
Globe & Republic	.80	16 3/4	17 1/4
Great American Fire	1.50*	37	38 1/2
Hartford Fire	3.00*	148	150
Hanover Fire	1.50	38	40
Home (N. Y.)	1.80	38 1/2	39 1/2
Ins. Co. of North Am.	2.50*	81 1/2	83
Maryland Casualty	1.00	22	24
Mass. Bonding		21	22
National Casualty	1.50*	28	Bid
National Fire	2.50*	67	69
National Union	1.80	42	43 1/2
New Amsterdam Cas.	1.50	37 1/2	38 1/2
New Hampshire	2.00	43	44 1/2
North River	1.20	29	30 1/2
Ohio Casualty	1.20	64	66
Phoenix, Conn.	3.00*	95	97
Prov. Wash.	1.50*	30	31
St. Paul F. & M.	.80	34	35 1/2
Security, Conn.	1.60	37	38
Springfield F. & M.	2.00	52	54
Standard Accident	1.60	37	38 1/2
Travelers	14.00*	654	660
U. S. F. & G.	2.00	56	58
U. S. Fire	1.40	44 1/2	46

*Includes extras.

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MID-YEAR STATEMENT

June 30, 1952

ASSETS\$51,717,592

LIABILITIES

Reserves 40,439,770

Other Liabilities 2,973,189

CAPITAL\$2,000,000

SURPLUS 6,304,633

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London Lloyds Ties Balloon to Excess Limits Rates

Rate of Increase on Auto Much Greater Than on Other Liability

Following closely on the heels of publication on the part of London Lloyds of a rate scale for American excess limits for liability other than automobile the U. S. representatives of Lloyds have just now been put in possession of a table for excess automobile liability risks.

This latter announcement has come as something of a bombshell because of the very greatly increased cost that it spells especially for jumbo risks, if the Lloyds underwriters intend to follow the scale in an undeviating way. The brokers have been busily making comparisons with the risks now on their books and find that this Lloyds scale will call for premiums that are two, three and four times what are now being collected.

That Lloyds is very much concerned with the frightful third party liability experience in the United States has been known for some time and that they were in the process of taking steps to do something about it was commonly known but the Lloyds representatives were not braced for the kind of an increase that this turned out to be. Needless to say, the cables are hot these days as the U. S. representatives are beginning to ascertain the underlying temper of their underwriting connections and how arbitrarily this scale is going to be applied especially on the big risks.

Although the rates were substantially increased for excess limits for liability other than automobile that announcement was taken far more in stride than was the automobile program. In the scale for other than auto liability risks it is stipulated that the deductible must be at least 20/20 and in that case the minimum premium for table A risks for B.I. is \$1.50 per \$1,000. For table B it is \$1.25. In the automobile field the minimum is 12 cents per \$100 on the aggregate of all limits including the limits per person, per accident and for property damage liability or \$75 per automobile, whichever is the greater.

There are scales for various types of motor vehicle risks and there are many for which the charge that is called for is 200% or 150% of the manual increase rates.

This policy of Lloyds is bound to have a stiffening effect throughout this country on excess limits underwriting generally. The U. S. market, if it has not already done so, will pretty well ignore the London Lloyds competitive situation in seeking to keep pace with the experience that has been bearing down so heavily on them. But at the same time there will be interest in whether it will induce important domestic insurers that have been getting their feet wet in the excess limits field, to pursue a bold and even more competitive course. However, it appears that there is at the moment no important segment of the underwriting fraternity that is taking an optimistic view of things and all appear to be determined to step up the charges to a point that will leave them in the clear without too much regard for the competitive situation or the shock that may be caused by stepping up the scale in heroic measure.

Put Finishing Touches on Card for Claim Group

Finishing touches have now been put on the program for the convention of International Claim Assn. at the Homestead, Hot Springs, Va. Sept. 15-17.

Frederick T. Bernhard of Home Life as chairman of the executive committee will call the first session to order and then Ralph T. Heller of Prudential, the president, will take over. Commissioner Bowles of Virginia will give an address of welcome and Mr. Heller will give the presidential address. Harold M. Stewart, executive vice-president of Prudential will give a talk on "Some Life Insurance Problems" and John W. Joanis, assistant secretary of the Hardware Mutuals, will speak on "The Health Insurance Council."

On Sept. 16 the secretary and the treasurer will report and R. Lee Blackwell of the Louisville law firm of Bullitt, Dawson & Tarrant will speak on "The Homicidal Beneficiary and Self-Inflicted Injury." C. Manton Eddy, vice-president and secretary of Connecticut General Life, will give a talk on "Group Insurance Today." That afternoon there will be a group insurance seminar in charge of George W. Lane, Jr., assistant superintendent of claims of Metropolitan Life and that evening the banquet is held.

The group seminar will engage in a full discussion of claims matters in the field group of hospitalization, surgical and medical reimbursement coverage.

On Sept. 17 there will be addresses by James E. Powell, vice-president of Provident Life & Accident on "Accident and Health Insurance—Past—Present—Future" and Dr. Howard A. Rusk, chairman of the department of physical medicine and rehabilitation at New York University College of Medicine, on "America's Number One Problem."

Companies Not Required to Insure Teen-agers

ST. PAUL — In response to numerous inquiries from parents of youthful drivers having difficulty in getting auto liability insurance, Commissioner Nelson has issued a statement explaining that companies are not required to provide such insurance covering teen-agers. The commissioner said the companies are reluctant to insure young drivers because "harsh statistics" show that the average youngster is 59% more likely to have an accident than an older driver and 67 to 100% more likely to have an accident in which someone is killed.

"No company is required to provide automobile liability insurance for a sub-standard risk any more than the banker is required to grant a loan to a poor credit risk," Mr. Nelson said.

The solution, he said, would be early driver training in high schools, better control of young drivers by their parents and parent cooperation in helping youngsters to drive properly.

Iowa O.L.&T. Rates Up 43%. Puerto Rico Hike Is 22%

In line with a countrywide movement, National Bureau of Casualty Underwriters has revised a large number of important O.L.&T. classifications in Iowa and Puerto Rico.

Rates in Iowa are increased an average of 43.1%, and in Puerto Rico by 22.4%.

Classes affected are those rated on an area and frontage basis including stores, hotels, churches, hospitals, clubs, restaurants, apartments and tenements, boarding or rooming houses and mercantile and office buildings.

Okla. Turns Down O. L. & T. Rate Hike

The National Bureau of Casualty Underwriters' broad program for O.L.&T. bodily injury liability rate increases hit a snag when the Oklahoma insurance board turned down a request for a 24% increase, following a hearing at Oklahoma City.

Classes which would have been affected are those rated on an area and frontage basis. Paul Benbrook, southwestern manager, represented the bureau and attributed the necessity for an increase to continuing inflation and adverse experience.

The board stated that the experience on which the bureau filing was based did not include experience of subscriber companies, that the three-year term premiums were not adjusted to a one-year basis in the calendar year experience and that the calendar year losses on which the current experience factor was based included excess losses and all loss adjustment expenses and that none of the calculations took into account the fact that premiums for increased limits of liability had been increased recently.

List Other Findings

Among other findings of the board were that loss adjustment expenses of bureau companies in Oklahoma are declining rather than increasing, that profit produced by investment income on policyholders equity in premiums for this class of business was not disclosed, that the rates contemplated a greater allowance for expenses, whereas the entire amount of any rate increase should be allocated to payment of losses, and expenses kept within certain bonds. Also, that use of a five-point profit factor produced an increase of 10.5% in rates and resulted in an exorbitant profit allowance.

The board stated that no experience or revised rates on O.L.&T. property damage liability had been filed for several years even though nationwide figures indicated a very favorable loss ratio. Further, it said that experience on other classes of general liability insurance had been quite profitable but that no rate revision and no compilation of all the Oklahoma experience on these classes had been filed recently and that such experience, if filed, would probably indicate a reduction in rates.

Hike Va. Liability Limits on Motor Passenger Carriers

A material increase in liability insurance limits required of motor passenger carriers operating in Virginia has been ordered by the corporation commission there following a hearing. The increase was prompted by the action of the 1951 legislature in raising the wrongful death limit from \$15,000 to \$25,000.

The new B.I. minimums are: Vehicles carrying 12 or fewer passengers, \$10,000/\$40,000; 13-20 passengers, \$10,000/\$60,000; 21-30, \$10,000/\$80,000; more than 30, \$10,000/\$100,000. Present limits are \$5,000/\$10,000 to \$5,000/\$30,000, depending on the number of passengers. The P.D. requirement also was increased from \$1,000 to \$5,000.

Freight carriers are not affected and the limit there remains \$5,000/\$10,000/\$1,000.

Mast Is Iowa President

Ivan Mast, Continental Casualty, Waterloo, has been elected president of Iowa A. & H. Assn. E. L. Lehnen, Federal Life & Casualty, Council Bluffs, was named vice-president and C. E. Bain, General American Life, Des Moines, secretary-treasurer.

Auto B.I. and P.D.L. Rates Are Hiked in Eight States

Indiana Allows P.D.L. Increase Only, Hearing Is Called in Nebraska

Higher automobile B.I. and P.D.L. rates are now in effect for National Bureau companies in Connecticut, Kansas, Maryland, Michigan, Nebraska, Nevada and Utah. The Florida department has approved a National Bureau filing raising liability rates effective Aug. 25.

Director Laughlin of Nebraska has called a public hearing for Sept. 4 at Lincoln for the purpose of discussing the problem of higher auto rates.

Commissioner Viehmann of Indiana has now approved automobile property damage liability rate increases. He had been reluctant to give such approval, but he has now given the green signal to the filings of both National Bureau of Casualty Underwriters and Hoosierland Rating Bureau. There are no bodily injury liability rate increases involved. The Hoosierland Bureau new rates are somewhat lower than those of National Bureau. The increases in PDL range from 25% to 40%.

In Connecticut, the city of Hartford revisions result in private passenger car rate increases ranging from \$26 to \$42 for B.I. and P.D.L. coverage combined. Middletown territory increases range from \$19 to \$31 and the remainder of state increases range from \$2 to \$22. In three territories, there are reductions or no changes in commercial car rates, but for most commercial cars affected by higher rates in other territories, the increases range from \$2 to \$40.

Show Hartford Change

In Hartford a rate that was \$58 becomes \$84, one that was \$96 becomes \$138, the one that was \$83 becomes \$120. For the remainder of state, the \$41 rate is now \$48, the one that was \$67 is now \$79 and the \$58 rate is \$69.

For Kansas, private passenger car revisions result in increases ranging from \$5 to \$26 for B.I. and P.D.L. combined. For most commercial cars, increases range from \$6 to \$41.

In Kansas City and vicinity a rate that was \$35 is now \$50, one that was \$57 is now \$82, the one that was \$50 is now \$72. The remainder of state rate that was \$19 becomes \$24, the one that was \$31 becomes \$40 and the one that was \$27 is now \$34.

For private passenger cars in Maryland the increases range from \$2 to \$19 for B.I. and P.D.L. combined. For most commercial cars affected by higher rates, the increases range from \$5 to \$28.

The city of Baltimore rate that was \$51 is now \$61, the one that was \$82 is now \$101, and the one that was \$72 is now \$87. For the remainder of state, the \$29 rate is now \$35, the \$44 one is \$57, and the \$39 rate is \$50.

Some Cuts in Mich.

Where private passenger car rates are raised in Michigan, the increases range from \$3 to \$14 for B.I. and P.D.L. For commercial cars affected by increases the B.I.-P.D.L. rates are up from \$7 to \$30. Private passenger car rates are lower in some instances, such as Flint, Grand Rapids and 12 entire counties.

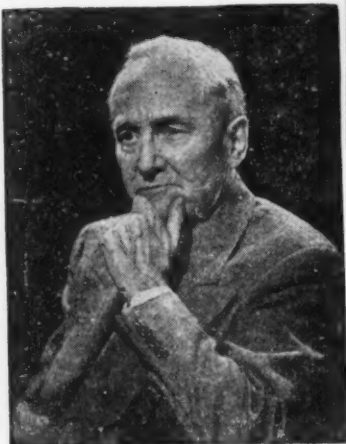
In Detroit and vicinity, the new rate that is \$41 is an increase of \$5, the one

(CONTINUED ON PAGE 20)

DO YOU EVER HAVE A PROBLEM LIKE THIS?

PROBLEM:

"Here's a nice order for something new and unusual in insurance, which my companies cannot write."
"I want to take care of it but how in the world will I handle it?"



ANSWER:

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F. & D. Sets New Premium Record

Fidelity & Deposit had the largest six months in its history from the premium standpoint in the period ending June 30. The earned premiums for that span were \$9,209,516, in comparison with \$8,831,572 for the first half of last year, which in turn was a record. There was a net underwriting gain of \$1,663,437 for the six months as against \$1,049,576 for the same period of 1951. The combined underwriting and investment gain was \$2,828,885. Assets were \$54,336,316. Surplus to policyholders was \$27,821,385.

N. Y. Crime Figures Show Increase in All Categories

NEW YORK — Burglary and inland marine men, who along with Federal Bureau of Investigation have been saying for some years that New York City's crime figures were substantially understated, will find confirmation in the statistics just issued by the city on the new complete basis of reporting adopted Jan. 1.

Data for the half-year show major crimes are up in every category, the aggregate being 37.4% for a total of 55,304 felonies. Burglaries were 22,005, up 47.1%; robberies are up 45.4%, grand larceny 44.9%, unclassified felonies 41.5% and manslaughter 34.5%. Only misdemeanors showed a decline.

Police Commissioner Monahan said the numerous revisions in the crime reporting system ruled out any possibility of a fair comparison between the first six months of 1952 and of 1951. He said the system, instituted by his predecessor, while well intentioned, did not record every crime, hence it was natural that the figures on the new basis should show an upsurge.

Peekskill Again Insured

Peekskill, N. Y., the city that has been unwillingly self-insuring its public liability since December, has succeeded in getting coverage from London Lloyds through the New York City office of Hutchinson, Rivinus & Co. Previous insurers withdrew because of the excessively large number of accident claims there, resulting from the city's reported failure to force property owners to repair defective sidewalks.

The premium will be about \$20,000 a year, as against a top previous premium of \$9,000.

More Highway Safety Films

Three additional films on driver safety are now in production, sponsored by National Assn. of Automotive Mutual Insurance Companies. The films — on driver courtesy, driving safely at night,

and procedures in an emergency — will complete the series of 10 films authorized by the association a year ago.

Films already completed are on caution at the crossroads, packing accidents, driving too close, tailgating accidents, driving too fast for road conditions, wrong side of road accidents, and on the prevention of accidents stemming from poor vehicle condition.

Political Campaign Exhibit to Be Staged by Travelers

The most complete collection of political campaign memorabilia ever assembled will be on display at the Travelers home office Oct. 1-Nov. 4. Comprising more than 10,000 individual items arranged in a colorful display, the "America Goes to the Polls" exhibit, largest of its kind in the world, is the collection of a Travelers official. It will be augmented by other items borrowed or purchased for this showing.

On view will be significant mementos of every political campaign in the nation's history — starting with seven buttons from Washington's inaugural in 1789 and ranging through the present Eisenhower-Stevenson campaign. Included in the exhibit are badges, banners, busts, buttons, canes, capes, costumes, documents, hats, medallions, pictures, prints, placards, ribbons, sashes, songs, ties and torches.

Designed as a public service in cooperation with the national effort to get out the vote, this dynamic panorama is arranged by campaigns, with all the material for each contest displayed as a unit. The highlights of each campaign will be described in an accompanying illustrated booklet which will be distributed at the exhibit.

In addition, the exhibit will also include items from the campaign for the presidency of the Confederate States of America and the impeachment proceedings against President Andrew Johnson. A collection of campaign songs and excerpts from speeches of campaigners from Teddy Roosevelt through the two present contenders has been combined in a special recording which will be played at intervals during the exhibit.

Tests New Adjusting Plan

State Farm Mutual Auto is inaugurating a pilot claim service program in Kansas, Nebraska, Colorado and Wyoming, beginning Sept. 2.

Under the plan a greater volume of all types of claims will be handled personally by adjusters in the field. These will include all P.D.L. and medical payment claims, all property losses exceeding \$250, and all total losses and other referred to adjusters from the branch office. The plan is being explained by Earle J. Klopp, general superintendent of claims, at meetings held in the field.

Plan Golf Outing

Casualty Underwriters Assn. of Chicago and Chicago Burglary Underwriters Assn. are planning their joint annual golf outing for Sept. 19 at St. Andrews Country Club. Co-chairmen of the event are Paul Girard, Hartford Accident, and Eugene Lersch, Rollins Burdick Hunter Co.

Hawley Safety Council Head

Robert H. Hawley, casualty manager of Travelers at Kansas City, has been elected president of Kansas City Safety Council to succeed D. G. Burrill of Socony-Vacuum Oil Co. He has been chairman of the mayor's traffic safety committee the past year.

Great Bend Board Elects

Don C. McIlrath has been named first president of the newly organized Great Bend (Kan.) Insurers. One of the first projects of the new board was to sponsor a radio program on insurance over station KVGB there entitled "Dollars and Cents" which has three periods a week.

Here Is a Major Advancement in **COMPREHENSIVE "3-D" PROTECTION**
which helps to broaden your sales market!

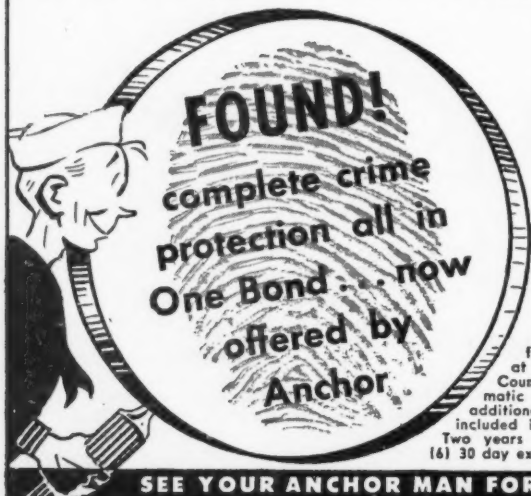
COMPARE ANCHOR'S ALL-INCLUSIVE FEATURES!

EMPLOYEE DISHONESTY		BROAD FORM MONEY & SECURITIES Inside & Outside	
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Individual Coverage		Mysterious Disappearance	
Position Schedule		Wrongful Abstraction	
Primary Commercial Blanket		Destruction	
Blanket Position			
ALL-IN-ONE OR OPTIONAL			
SAFE DEPOSIT	FORGERY	OPEN STOCK	
Destruction — Wrongful Abstraction — Mysterious Disappearance of Securities	Forgery and Alteration of outgoing Checks or Bank Account	Burglary of Merchandise Stocks after premises are closed	

ANCHOR OFFERS THESE "EXTRAS" TOO! Coverage for all officers' checking accounts against Forgery at no additional premium, (2) Coverage for incoming Counterfeit money (limit \$2,500 any one loss), (3) Automatic reinstatement of coverage after loss without any additional premium, (4) Court costs and attorneys' fees included in coverage over and above the bond amount, (5) Two years loss discovery period on all insuring agreements, (6) 30 day extension of Fidelity coverage on terminated employees.



SEE YOUR ANCHOR MAN FOR COMPLETE DETAILS OR WRITE



More from Auto Placing Survey

The survey of automobile insurance placement, conducted by Greater New York Brokers Assn. and reported in part in last week's issue, also turned up complaints about tie-in business as an inducement to accept automobile and other casualty lines. This made it clear, according to the association, that insurers wanted other business to offset the automobile lines, 1,828 brokers reported. Of this total, 898 replied that they were asked for fire business, 802 for inland marine and 128 for other casualty. According to complaints which continue to reach the offices of the association, the situation is deteriorating steadily.

The great bulk of the replies came from brokers in New York City proper, but some of the replies came from communities in upper New York State and Long Island. Even these outlying communities had replies which showed that the critical automobile placing problem has widespread effect.

Comments Are Personal

About 60% of the brokers who answered the survey saw fit to add personal comments at the end of the form. While figures and checked squares are somewhat impersonal, these comments were not. They show an all-embracing despair, extremely low morale and a hopelessness among a large percentage of the brokers. Even though many of the replies indicated that certain brokers were having little or no trouble, it is not inaccurate to say that there are few—outside perhaps the big volume brokerage houses—who have been completely untouched by the situation. This is brought out in the replies to the survey question about particular placing difficulties.

Nearly 2,500 brokers responded that they encountered "particular difficulties placing because of age of the car." Some 2,225 brokers said that they had difficulty because of the age of the operator (young or old) and a scant 729 had difficulty because of the experience of the operator. Only 534 listed "business use of the operator."

Representative Replies

Nearly 26,000 questionnaire forms were sent out even though it was apparent to the association from past experience that there are thousands holding licenses who do not write business. These comprise wives of brokers, employees of banks and finance organizations and other groups. Many other licensees specialize in some branch of insurance and do little or no casualty business. The association did not desire a sampling and consequently made no selected list. None of the very large brokerage houses responded.

Comments of brokers at the end of the survey contain an undercurrent of accusation that the automobile business is being syphoned off from small and medium brokerage offices and is finding its way into a few large offices. Many charge that a lot of the business they give up is being placed through "influential brokerage offices." A few declared that companies have taken lines "to accommodate the client" but have named some other broker as broker of record.

As a matter of fact, 1,282 brokers said they know competing brokers have been able to place lines in the same companies which refused to renew for them. A similar number of brokers said that they were able to get a company to take over lines and write the business formerly written in an agency cancelled by that company. There were an abundance of laments that the direct writing carriers were finishing the job of destroying the small and medium brokers which the stock companies, in their refusal to accept business had started.

The association is prepared to set forth a program which it feels will return automobile insurance to a normal

state if at least a part of it is put into practice. "If the industry fails to find an adequate solution," it said, "the direct writers and some 'non-profit governmental system' will become heir to the business."

Among comments from brokers were: "Placing N. Y. business is most difficult; one agency recently sent me a bill with 'no commission' marked beside the N. Y. items. Another agency offered to split the commission. Most lines are refused outright and are promptly replaced by the larger agencies who are reaping the harvest. Companies are putting the 'squeeze' on by forcing lowered

commissions and acting generally not to underwrite more carefully, but to take advantage of the present situation with many pressures which vitally affect the smaller agencies."

"I am annoyed because I cannot place certain accounts unless I place them through a large brokerage house. This brokerage house is also an agency. In order to write business I must give up 50% of my commission."

Attitude Toward Claims

"The small broker has very little chance of remaining in the business. Only brokers with prestige and large

volume may survive. All the advertising matter sent out by companies is purely academic. In many cases, it would appear that no claims however justified should be submitted even though covered. The publicity given to certain phases of the contract through pamphlets and other literature seems stupid because when legitimate claims are made the assured is 'claim conscious'."

"The experience in upstate New York, at least in this area, is different than that in the metropolitan area. There has been up here a move on the part of the companies to refuse to write

(CONTINUED ON PAGE 20)



Day and night, at filter centers throughout the nation, Civil Defense workers rehearse the roles they will play in an emergency. Civilian volunteers and members of the Armed Forces, they function with precise teamwork to protect America from sudden disaster.

ACCENT ON TEAMWORK

An agent encounters an opportunity to provide an important fidelity or surety bond. Can he make the sale? Often this will depend on whether he can get fast, capable assistance from his bonding company. It's a matter of teamwork.

The F&D agent knows he can depend on the ultimate in speedy, intelligent sales help from his bonding company. Through the nearest of F&D's fifty strategically-

located field offices he has access to the experience and facilities of a company that has specialized in the fidelity and surety field for 62 years, and whose record for quick, fair settlement of claims is unsurpassed.

Profitable bonding opportunities abound in every community. Interested in increasing your income through these lines? Then write F&D today.

FIDELITY AND DEPOSIT COMPANY
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FIDELITY AND SURETY BONDS,
BURGLARY, ROBBERY, FORGERY
AND GLASS INSURANCE

AFFILIATE: AMERICAN BONDING COMPANY OF BALTIMORE



It's Easy to Sell...When You've Got the Goods

Give folks what they want . . . at a price that's right . . . and they'll buy your goods like hot cakes! That's exactly what Mutual of Omaha does in the insurance field. And that's why today more than 2¼ million families own policies in this world's largest exclusive health and accident company. A policy to fit every need and every pocketbook. Income Replacement; Accident and Health; Hospital; Surgical; Dread Disease; World-Wide Travel Accident; and others. Separately or in most any combination the policy-owner may desire, and in an amount he chooses for himself. Prompt payment of benefits . . . locally . . . through 110 service offices. More than \$151,000 a day paid in benefits in 1951. A fine company to buy insurance from . . . and a fine company to SELL insurance for.



The Largest Exclusive Health and Accident Company in the World
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Our newest branch office represents another step forward in our continuous effort to furnish prompt and efficient service throughout the country.

Georgia agents and brokers are invited to submit all of their surplus line and excess risks to our Atlanta branch. We offer the broadest available facilities for placing insurance and can assure immediate handling of all inquiries.

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Hemispheric Conference Plans Are Announced

Plans for the hemispheric insurance conference to be held Sept. 7-12 at the Waldorf-Astoria Hotel, New York, are nearing completion. John A. Diemand, president of North America, is chairman of the sponsoring committee for U. S. Chamber of Commerce.

More than 100 representative of insurance companies from Latin American countries and Canada, along with 18 wives, have indicated their intention to attend. The banquet at the Waldorf-Astoria Sept. 11 will be attended by more than 600 leading insurance executives from the United States, in addition to the foreign guests. Detailed arrangements are being handled by A. L. Kirkpatrick, manager of the insurance department of the U. S. Chamber and secretary of the conference.

Sixty-five chief executives representing most of the leading United States insurance companies are serving with Mr. Diemand as the host committee for the conference.

Objectives of Conference

Objectives of the conference are listed as: (1) To promote acquaintance and better relations among the insurance companies of the western hemisphere; (2) to exchange ideas and information which will assist improving the protection and service rendered by private insurance; and (3) to present a united front against further government socialization of the insurance business.

Following an informal reception for the foreign delegations on Sept. 7 and a dinner for the official delegates from each country Sept. 8, the opening general session will be held Tuesday morning, Sept. 9.

Chairman of the morning session will be James S. Kemper, chairman of Lumbermens Mutual Casualty and a past president of the U. S. Chamber of Commerce, as well as former president of Inter-American Council of Commerce & Production, which is co-sponsoring the insurance conference with the U. S. Chamber.

Frazar B. Wilde, president Connecticut General Life and president of American Life Convention, will preside at the luncheon which will follow the opening session. Mr. Diemand will act as toastmaster at the banquet on Sept. 11 and will preside over the closing session of the conference on Friday morning, Sept. 12.

Discussion Groups Planned

On Wednesday and Thursday the conference will convene in five discussion groups for the presentation of papers and discussions dealing with various lines of insurance. The groups will be fire, casualty, marine, life and fidelity and surety. Co-chairmen of the groups will be the heads of some of the Latin American delegations. Advance arrangements for each group are in charge of the United States committee as follows: Fire group, N. H. Wentworth, American Foreign Insurance Assn. and E. E. Stempel, secretary American International Underwriters; casualty, W. Alexander Kerr, foreign manager of Liberty Mutual; marine, Henry W. Farnum, vice-president of North America; life, V. C. d'Unger, assistant secretary Lincoln National Life; fidelity and surety, Charles H. Hall, vice-president American Surety.

Laurence F. Lee, president of the U. S. Chamber and also president of the Occidental Life of North Carolina and Peninsular Life, will be the principal speaker at the banquet. Other speakers will include Clinton L. Allen, president of Aetna Fire and chairman of the U. S. Chamber's insurance committee, and Dr. Angelo Mario Cerne, director of International Ins. Co., Rio de Janeiro, and head of the Brazilian delegation to the conference.

Speakers at the opening general session will include Mr. Lee, who will give

an address of welcome; Superintendent Bohlinger and Mayor Impellitteri of New York. The response will be given by Manuel Senderos, manager "La Comercial" Compania Mexicana de Seguros and head of the Mexican Delegation.

The Tuesday luncheon session will be addressed by Herbert A. Schell, chairman of the U. S. section of Inter-American Council of Commerce & Production, and also by Jorge Bande, manager La Chilena Consolidada Compania de Seguros, Santiago, Chile, and professor of insurance at the University of Chile. The rule of the conference is that each delegate shall speak in his native language but all of the principal speakers are fluent English linguists and have agreed to deliver their speeches in English.

Tuesday afternoon there will be a meeting of the committee for the promotion of private insurance in the Americas. The committee, under the chairmanship of Mr. Bande, is comprised of one member from each country in the western hemisphere.

The chamber's committee in charge of conference arrangements, of which Mr. Diemand is chairman, includes Robert G. Bodet, vice-president of Home; John T. Byrne, president Talbot, Bird & Co.; Reed C. Chambers, president U. S. Aircraft Insurance Group; V. C. d'Unger, assistant secretary Lincoln National Life; L. C. Irvine, general manager American Foreign Insurance Assn.; Charles E. Hodges, president American Mutual Liability; W. Alexander Kerr, foreign manager Liberty Mutual; Charles H. Hall, vice-president American Surety; I. G. Petersen, assistant vice-president of North America; Jesse W. Randall, president Travelers; E. E. Stempel, American International Underwriters; Chase M. Smith, general counsel Lumbermens Mutual Casualty.

Single Package Thefts Big Factor in Loss Picture

Single package thefts constitute an even greater toll on truckers and shippers than the huge highjacking aggregate of truck cargoes, Cargo Protection Bureau of New York reports.

In releasing its monthly list of previously unreported cargo thefts and hijackings, bringing to more than \$30 million the estimated national total of such losses in the first half of the year, the bureau sounded a warning to all concerned with truck cargo movements on the growing number and dollar amount of carton or case losses.

"Because the hijacking loss and major theft is a hazard that can be a body blow to a carrier or shipper, that has been receiving the major attention in loss prevention efforts up to now," the bureau said. "But there has recently developed a new consciousness of the vital importance of the single package loss. Here is something that affects every carrier and every shipper. He may always face the hazard of a hijacking, but he is always up against the reality of the package loss."

Practically every truck on the road has from one to three single package losses per year, the bureau reported. Added together, these unit losses bulk up more than even the present gigantic total of hijackings and load losses.

McDevitt Has Portland Office

McDevitt & Sons, Boston adjusting firm, has appointed James F. McDevitt manager of its Portland, Me., branch succeeding John A. Buckley, Jr., resigned.

Mr. McDevitt was formerly with the Pacific Coast and southeastern departments of General Adjustment Bureau, and before that was with Underwriters Salvage Co. of New York.

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A p Ameri mail d Ins. C sidered of the ing w

Two seekin Congr nomin Jack V

Ill. Issues New Rules on Fraternal Writing A. & H.

The Illinois department has promulgated new rules and regulations governing the writing of A. & H. insurance by fraternal, which require the segregation of that business from all other funds and accounts and prohibit the writing of such business unless authorized by the society's articles of incorporation, constitution or by-laws.

It is required that the premiums or assessments collected be sufficient to take care of all expenses and reserves in connection with that department. No funds may be transferred to the A. & H. department from any other account, except that where a fraternal is preparing to enter that field its governing body may authorize the transfer of a reasonable amount from unassigned funds to assist in setting up the department. After three years the residue, if any, shall be returned to the fund from which it was transferred. With that exception, any deficiency in A. & H. accounts must be taken care of by that department. However, any surplus in that department may be transferred to other accounts.

Add Herndon to Cal. Card

Maurice G. Herndon, Washington representative of N.A.I.A., has been added to the program for the annual convention of California Assn. of Insurance Agents, to be held at San Francisco, Nov. 17-19. Since the November elections will have concluded, Mr. Herndon will discuss what agents' prospects will be under the new administration and will outline which key committee positions in Congress might be changed.

Two other features have been added. Oakland Insurance Forum, an educational body made up agents and company men, will present a skit on "Personal Property Floaters." National Assn. of Insurance Buyers members will present an analysis of "The Large Risk on Your Books" which will include consideration of manufacturers output, deductible fire coverage, multi-location fire risks, participating workmen's compensation vs. retrospective rating — and other phases of large risk coverage.

Winkley to Local Agency

William G. Winkley, formerly special agent in Maine, New Hampshire and Massachusetts for Northwestern Mutual Fire, has purchased the Kendall-Exeter agency at Exeter, N. H.

Mr. Winkley served Northwestern Mutual in the field for four years and before that was a department office underwriter for the company.

Texas Secretary Resigns

J. G. Gatoura, Occidental Life, Austin, who is leaving the state, has resigned as secretary of Texas Assn. of A. & H. Underwriters. At a meeting of the executive committee at Austin, President L. C. Woodham, Great American Reserve, Dallas, named Herman Andrew, Business Men's Assurance, San Antonio, chairman of a committee to select a new secretary.

Plans for the DISC course at the University of Texas and the sales congress sponsored by the state association were discussed. It was decided to hold the state association meeting at Dallas in the spring, at a date to be selected.

Merger Decision Deferred

A proposal for absorption of North American Mutual of Wilmington, Del., mail order A. & H. insurer, by Life Ins. Co. of North America was considered at a meeting of policyholders of the former company but the meeting was adjourned to Sept. 25.

Agents Out for Congress

Two Everett, Wash., local agents are seeking the Republican nomination for Congress. H. R. Wilson, who won the nomination two years ago, is opposing Jack Westland.

Discussion Sessions Will Feature Michigan Meeting

The Michigan Assn. of Insurance Agents plans to make its meeting Sept. 10-12 at Grand Rapids a "conference convention" at which discussion sessions will predominate, according to Merrill G. Craft, Jackson, president. The convention theme is "Featuring Your Future."

Speakers will include Maurice Herndon of the N.A.I.A. Washington office on "The Washington Scene"; George W. Carter, president Detroit Insurance Agency and longtime conference committee chairman, discussing that committee's work; Richard E. Farrer, secretary of National Fire, on "The Value of the Agent to Hometown, U.S.A." and Commissioner Navarre of Michigan.

Messrs. Herndon, Farrer and Carter will be on the Sept. 11 program and Commissioner Navarre will be the Friday luncheon speaker.

The convention will be launched Sept. 10 with committee sessions. Formal committee reports will open the general sessions the next day. A local association activities panel, headed by Leon J. McVoy, Grand Rapids, a former president of the association, is scheduled for that day, with an insurance attorney, an adjuster and an insurance buyer participating. Past presidents will be honored at the Thursday evening banquet.

An "agents only" session will open the Friday program and officers will be elected following the commissioner's luncheon talk. The local association activities award will be presented to the local board doing the "most outstanding civic activities job."

Subjects to be discussed at the various sessions include premium collection ideas, 1952 legislation, "Where do we stand in Washington today?", a review of the Lapeer Farmers Mutual case, in which resistance to assessments over 17-year liquidation period has broken out into violence in the past few months; the local association program, "Putting the Agent in his Place" and stockholders protective insurance.

Estlick Succeeds Bump

Robert B. Estlick has been elected secretary of Whitley County (Ind.) Assn. of Insurance Agents to succeed the late Elmer Bump of Columbia City, who had long been active in association affairs in Indiana.

Moyer Gets Dubuque in La.

R. Kirk Moyer agency, New Orleans, has been appointed as managing general agent in Louisiana for Dubuque Fire & Marine.

Laughlin Files Mandamus to Secure Salary Increase

Insurance Director Laughlin of Nebraska has petitioned the state supreme court for a mandamus ordering State Auditor O. Johnson to pay him a salary of \$6,500 a year.

The salary of the insurance director was boosted by the 1951 legislature from \$5,000 to \$6,500 but an attorney general's opinion held that Mr. Laughlin, who succeeded Bernard Stone in the post early this year, could not receive the higher salary until August, 1953.

Mr. Laughlin asked the mandamus as a test of the law. Several other state officers would be affected by the outcome of the suit.

Plan Green Bay Courses

Green Bay (Wis.) Assn. of Insurance Agents will start an educational program for new agents and a refresher course for older agents this fall in cooperation with the extension division of University of Wisconsin.

George C. Martin has been named manager of the insurance department of the George Carlyon & Co., at Jacksonville, Fla. He has been in the business there for several years.

we're proud of our record:

1. Fifty-two years old. Only six other companies have been in the bonding business longer than we have.
2. Lowest loss ratio of any company in the business.
3. On the list of the twenty-five largest writers of surety fidelity bonds in the entire United States.



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One of America's Oldest Bonding Companies

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South Dakota

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Kansas City 6, Mo.

1700 Commerce St.
Dallas 1, Texas

NEWS OF THE CASUALTY COMPANIES

Murphy Forms Casualty Company at Minneapolis

A group of Minneapolis business men headed by J. E. Murphy, general agent there, have launched American General Ins. Co., a stock casualty company, for the writing of automobile insurance. The company already has been licensed by the Minnesota department.

Mr. Murphy is president of the new organization. Vice-president is J. A. Campbell, a lifetime resident of Minneapolis, with Ralph N. Leuthold, clothing store executive, treasurer, and Charles E. Carlsen, Jr., Minneapolis attorney, secretary and general counsel.

The new company begins business with \$100,000 capital and \$50,000 paid in surplus. The J. E. Murphy Co., managing agents for the new company, is represented throughout Minnesota by local agents. The Murphy organization maintains a fire and casualty loss and claim department. It was organized in 1946 and occupies the entire three-story office building at 1911 Pleasant avenue, Minneapolis, where the home office of the new company also will be located.

Buck Elected President of Commercial Standard Group

Raymond E. Buck has been elected president of Commercial Standard and Commercial Standard Fire & Marine of Fort Worth. He succeeds Karl F. Vasen, who has gone with Houston Fire & Casualty.

He has been active in management of the companies as director and general counsel since 1935 and since 1943 has been chairman of the board. He will continue in that post.

John Chervenak has been elected vice-president of both companies; H. L. Adkison, assistant vice-president, and E. S. Robinson, assistant to the president. C. T. McLaughlin, oil man and rancher of Snyder, Tex., has been elected a director.

United Pacific Shows Gain

With assets of \$18,216,000, United Pacific's semi-annual statement shows a good increase in volume of business for the half year.

Premium volume for the six months totaled \$8,475,000, an increase of 14% over the same period in 1951. Continued high claims frequency as well as severity in both the automobile and workmen's

Idaho Assn. of Insurance Agents has purchased a set of devices which measure the driving capabilities of individuals to be used in various schools throughout the state in connection with its traffic safety program.

compensation lines is reflected in the underwriting results for the period. Income from investments continues to show a satisfactory return. After payment of the regular dividend on the 10,000 shares of stock, policyholders' surplus was increased to \$4,367,000.

Lawlor American Mercury Head in Reorganization

WASHINGTON—J. Gardner Lawlor was elected president in a reorganization of American Mercury, which insures private aircraft and is underwriting organization for Aircraft Owners & Pilots Assn., organized three years ago. The new management says American Mercury operations will show a small profit for the first half of 1952. Mr. Lawlor, head of an investment firm here and president of Government Business Services, succeeds G. Chandley Whalen, who resigned as president and board chairman. Lawlor said an additional 85,000 shares of newly authorized \$1 par stock have been sold at \$2 a share, increasing the company's capital to \$250,000 and surplus to \$230,000. Assets are said to exceed \$650,000.

Other new officers elected are: Chairman, Bernard K. Shapiro; executive vice-president, Arnold H. Johnson; chairman of executive committee, Albert E. Arent. New directors are H. F. Stokes, vice-president National Metropolitan Bank; Alexander F. Hardy, assistant to president of National Airlines; Sidney Z. Mensh and his associate, Richard F. Swesnik, Washington realtors who head an investing group which subscribed for 50,000 shares of the new issue; Philip Hettelman, head of a New York Stock Exchange firm bearing his name and underwriter for 35,000 shares of the new issue.

Erecting New Home Office

Selected Risks Indemnity is constructing a new home office building at Branchville, N. J.

Insurance Almanac Out

Volume II of the 1952 edition of the Insurance Almanac, published annually by the Weekly Underwriter, New York, is now being distributed to subscribers. Volume I, the 1952 edition of "Who's Who In Insurance," containing about 4,000 biographical sketches of insurance executives, officials, agents and others in the insurance business, was published earlier in the year.

The present volume contains 1,072 pages of valuable information, including facts and statistics on the officers, directors and operations of all classes of insurance companies; insurance department officials, all types of insurance organizations, insurance groups, brokers' regulatory laws, resident agents' laws,

legislative sessions, new companies organized, retired companies, agents and brokers, adjusters, actuaries, etc.,

The cost of each volume of the Insurance Almanac is \$5. If both volumes are purchased, together, the cost is \$8.

Big Public Works Contracts on West Coast Awarded

Pacific Bridge Co., General Construction Co. and Shea Co., all of San Francisco, have been awarded a contract at \$7,721,389 for construction work on the Box Canyon Dam near Ione, Wash. Fidelity & Deposit and Hartford Accident are on the bond for Pacific Bridge, Hartford for Shea and Travelers Indemnity for General Construction.

Del E. Webb Construction Co., Phoenix, Ariz., has been awarded the contract for construction of certain buildings at Travis airforce base near Fairfield-Suisan, Cal., at \$5,998,592. Maryland Casualty is on the bond.

Stanton-Reed Co., Los Angeles, has been awarded the contract for building work at the naval air station, San Diego, at \$1,096,176. Fidelity & Deposit is on the bond.

The navy has awarded the contract for the construction of additional facilities at the Miramar naval air station, San Diego, to Haddock Engineers, Montebello, Cal., at \$1,009,700. Travelers Indemnity is on the bond.

CHANGES

Vasen to Houston F. & C. as Executive Vice-President

Karl F. Vasen will join Houston Fire & Casualty and General of Fort Worth about Sept. 1 as executive vice-president.

Mr. Vasen joined Commercial Standard when it was organized in 1924, and has been with it almost continuously since that time. He has served in various executive positions, most recently as president and a director. He has been president since 1945.

Mr. Vasen is a graduate of Lane Junior College of Chicago and served overseas in the first world war. He has been a member of both the Texas and national advisory committees of National Council on Compensation Insurance and has also served on the advisory committee of the National Bureau of Casualty Underwriters for miscellaneous casualty lines.



Karl F. Vasen

Aetna Names Two in Cal.

Robert W. Marshman has been appointed special agent for Aetna Casualty covering the Sacramento valley and the north coast counties of California. Thomas Alburger has been appointed to cover the south coast field, succeeding W. B. Mason, resigned.

E. S. Taylor Is Advanced

Hartford Accident has appointed E. S. Taylor manager of the Houston claim office succeeding the late LeRoy Protzman.

A member of the Nebraska bar, Mr. Taylor has been with Hartford Accident since 1934. He at one time was in charge of the Omaha claim office and for the past seven years has served as assistant claims manager at Houston.

Maryland Promotes Three

Albert W. Hegwood has been appointed deputy manager of Maryland Casualty's Boston claim division. He started with Maryland in 1942 as an adjuster and has served in various managerial and executive capacities. Re-

cently he has been manager of the Detroit claim division.

Fred D. Pearce succeeds Mr. Hegwood at Detroit. He has been with Maryland's claim organization since 1946, and formerly was manager of the Norfolk claim division. Joseph H. Naylor takes over the Norfolk post. He is a company veteran of 22 years and has been manager of the Knoxville claim office since 1938.

U.S.A.I.G. Advances Five in Pacific Coast Posts

U. S. Aviation Underwriters has appointed Jack R. West resident vice-president at Los Angeles. Harris C. Goodrich becomes manager there and Roland T. Abels assistant manager. John J. White is named manager at San Francisco and Richard M. Amann, assistant manager.

Mr. West joined U.S.A.I.G. in 1945 following army air corps service. Earlier he had been a casualty special agent for Travelers. He succeeds Frank C. Treadwell, retired, who had been in charge of the Pacific department since 1928.

Mr. Goodrich started with the group at Los Angeles in 1940 and Mr. Abell joined it in 1946 after air corps service. Mr. White and Mr. Amann also are air corps veterans, with considerable insurance experience.

N. Y. Traffic Safety Board Reviews City's 10-Year Toll

More than 1 million motor vehicle accidents occurred in Greater New York in the 10-year period ended last Dec. 31, with a total of 6,105 killed and close to 500,000 men, women and children injured in that decade, according to a study made by the Citizens Traffic Safety Board, just organized there.

Property damage accidents ran at the rate of about two for every automobile mishap involving death or injury, it was shown by an analysis made for Percy C. Magnus, president of the new board. That ratio ran consistently through the post-war period, but in 1942 and 1943 personal injury accidents outnumbered property damage mishaps.

The study, which was presented to the new group's executive committee at a luncheon meeting Aug. 8, showed that 1,013,429 automobile accidents occurred in the five boroughs of New York City in the 10-year period. These included 380,230 accidents involving death or injury and 633,199 causing property damage.

The first six months of the current year, Mr. Magnus added, there have been about 85,000 more accidents in the city, including 30,000 in which 325 people were killed and 40,000 injured, and 55,000 property damage mishaps.

McCree to Mich. Commission

Wade H. McCree, Jr., Detroit Negro attorney, has been named to the Michigan workmen's compensation commission by Gov. Williams. Senate confirmation is required but Mr. McCree will take up his duties immediately. He is a graduate of Fisk University and Harvard law school.

Suspend Some Minn. Payments

ST. PAUL—A shortage of funds has forced the state industrial commission to suspend payments to remarried mothers of children whose fathers were killed in industrial accidents. T. M. Hynes, compensation counsel for the commission, said the suspension would be necessary until the 1953 legislature provides additional funds. Payments will continue to unmarried widows with dependent children and to disabled workers.

Issues Football Schedule

Standard Accident has just put out its usual compilation of 1952 football schedules.

KEYED TO MODERN NEEDS

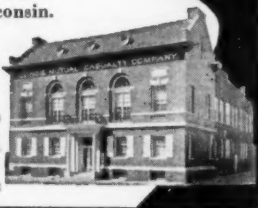
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ACCIDENT AND HEALTH

Viehmnn Tells A. & H. Assn. Stronger Laws Are Needed

The Indiana department will seek passage of the A. & H. uniform provisions law in the 1953 legislature, Commissioner Viehmnn told Indiana A. & H. Assn. at a luncheon meeting at Indianapolis.

He reviewed the complaints received by his department, especially in A. & H. and automobile, and called for the active support of the association in seeking passage of stronger laws. "We need your help to clean up bad practices in the business before the public calls for federal regulation or national insurance companies," he said.

Mr. Viehmnn declared the department does not want to run companies or dictate practices; it wants only to supervise. "The problem of bad practices is as much if not more the problem of such associations as this than it is the problem of the department," he said.

The meeting, which was attended by 12 life general agents and managers from Indianapolis whose companies have

recently gone into A. & H., also heard a plea from Hastings Smith, New England Mutual, president of Indiana Assn. of Life Underwriters, for greater cooperation and coordination of effort among associations of insurance men regardless of the type of insurance they represent.

Spafford Orwig, Orwig agency, Indianapolis, president of the Indiana association, reported on the meeting of the International association, and Wm. Coursey, managing director of the International, listed the tangible as well as intangible values in belonging to the association.

Charles Ray, Hoosier Casualty, reported on the progress of the D.I.S.C. course scheduled at Purdue Sept. 15-20.

Hospital Admission Snag at San Antonio Ironed Out

The successful ironing out of a hospital admission difficulty there was reported by President A. D. Anderson, Occidental Life, at a meeting of San Antonio Assn. of A. & H. Underwriters. The manager of a San Antonio hospital had sent out letters stating that except for Blue Cross subscribers a cash deposit of \$100 would be required of anyone seeking service in the hospital.

After a conference with Commissioner Butler of Texas, a committee from the association called on the hospital manager, who agreed to eliminate the reference to Blue Cross and substitute insurance in an acceptable company. He is to be supplied with a list of companies represented by members of the association.

W. D. Bacon, General Accident and Crown Life, reported on the convention of the International association.

Ed Speer, San Antonio manager of Great American Reserve, spoke on the approach, taking up the difficulty of selling friends, the advantages of referred leads and difficulties in cold canvass.

Plan Blue Cross Expansion

A meeting of the directors of the Memphis Blue Cross has been called for Sept. 3 to consider extension of Blue Cross coverage to retired persons, unemployed, and self-employed, according to W. W. McCrary, Jr., executive director. At present the coverage is available only in group contracts to firms employing five or more persons.

Drake Rounds Out 50 Years

James M. Drake, president of Empire Life & Accident of Indianapolis, is celebrating his 50th year in insurance. He has been president of the company since 1935, advancing from vice-president on the death of his brother, Charles S. Drake. He started as an agent of Industrial Health & Accident, now known as Life of Georgia. In 1908 he and his brother launched Empire Health & Accident, which later became Empire Life & Accident.

Continues Richmond Office

Sterling has announced that, even though it can solicit no new business in Virginia unless the order of the state corporation commission revoking its license there is reversed, it will keep its Richmond office open for the convenience of its present policyholders. Premium payments will have to be made to the home office.

Knott Takes N. E., N. Y. Post

J. L. Knott has been appointed group representative for New England and New York City of the Farm Bureau companies with headquarters at New Haven, Conn., where the companies operate a decentralized regional office.

Before joining Farm Bureau in 1951, he was life department manager of the

Souder agency of Indianapolis for three years. He previously had been at the home office of Continental Assurance and with the J. H. Pickett agency of Fidelity Mutual Life at Louisville.

Wingfelder Montreal Manager

Joseph L. Wingfelder has been appointed manager of the new regional home office at Montreal of Canada H. & A. This is the first of the regional headquarters to be opened across Canada. Mr. Wingfelder has many

years of experience in the business including management of various departments at the home office.

To Confer on Blue Cross

Commissioner Navarre of Michigan has called a hearing at his office at Lansing for Aug. 20 to discuss the situation of Michigan Blue Cross which the A. & H. agents in the state have contended is offering discounts to its subscribers that are discriminatory.

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Michigan Department Raps Cleaners' Deal with Lloyds

LANSING, MICH.—Michigan dry cleaners, some of whom have been reported purchasing a special "package policy" covering their plants through London Lloyds, were advised this week by the Michigan department to consider carefully any disregard of state insurance laws. They will find, if their plants are in good order, officials said, that they can get a better insurance deal through authorized carriers.

It was further pointed out that the Michigan code provides adequately for the conduct of hearings by the department if it is felt that rates are excessive. The dry cleaners' spokesmen had contended rates charged by the licensed carriers were too high and, in some cases discriminatory. A department spokesman, in the absence of Commissioner Navarre, who is on vacation, said many complaints are being received relative to the Lloyds policy. It had been felt, he said, that the issue had been cleared up at a conference of Detroit Dry Cleaners assn. and the commissioner.

"This proposal of Lloyds was examined in our office," the department official said, "and the coverage is no better than that which a well-constructed, efficiently managed cleaner is now able to obtain through admitted carriers. As a matter of fact the cleaners might be surprised to learn that Lloyds' proposal contains several exclusions not found in existing contracts of authorized insurers. The rate schedule, we freely admit, is attractive to the poorer risk but we do not choose to overlook the opinion of experienced marine underwriters that such rates appear inadequate in the light of current dry cleaner experience."

The department noted a misleading statement in a recent dry cleaners' bulletin relative to arrangements for adjustment of losses. It was stated, the department official said, that "Underwriters Adjustment Bureau" would handle losses under the Lloyds contract but it was not explained that this meant Underwriters Adjustment Bureau, Ltd., of Toronto, Ont., which is "not licensed in Michigan nor in any other state . . . to the knowledge of the department."

Operates Business from Bed

Ernest J. Gendreau, paralyzed veteran, operates a prosperous insurance business from his bed in Veterans Administration hospital at Framingham, Mass. He became interested in insurance in 1949 and passed the Rhode Island broker's examination that year. He has on his books \$250,000 in fire business on Rhode Island properties, and acts as insurance adviser to fellow patients. He expects his business to grow when he is discharged from the hospital.

New Officers at Wenatchee

New officers have been elected by the Wenatchee (Wash.) Assn. of Insurance Agents. H. G. Kenaston is president, J. O. Nicholson, vice-president; Clair Warren, secretary.

To Observe 25th Anniversary

Kansas City (Kan.) Assn. of Insurance Agents is making plans to celebrate its 25th anniversary this fall. Faris Taylor, McCullough-Taylor agency, is now president; Gilbert Henry, vice-president, and Clarence H. Lind of Tinklepaugh & Lind, secretary.

Get Subrogation Against U. S. in Alaska Loss

Federal Judge Folta at Juneau, Alaska, has held with the plaintiffs in a \$400,000 subrogation suit against the U. S. government.

The plaintiffs were Nakat Packing Corp., American Can Co., Northern Electric Co. and others. Fire insurers which had paid losses growing out of a fire which totally destroyed the Nakat cannery and property of the other plaintiffs at Union Bay, Alaska, Oct. 31, 1946, joined in the suit.

The court held that faulty installation and maintenance of gasoline generating units used in connection with army communications were the proximate causes of the fire. All of the suits were consolidated for trial.

Attorneys for the plaintiffs were George W. Clarke, Fred G. Clarke, Jr., and R. E. Robertson.

Brown & Sons Opens Office in Atlanta Under Stephens

George F. Brown & Sons, Chicago, has opened a branch at Atlanta. The manager down there is W. G. Stephens, Jr., who has for 16 years operated a general agency in Atlanta, and prior to that was with another Atlanta general agent. Mr. Stephens is past president of the Managing General Agents Assn. of Georgia and past most loyal gander of the Georgia Blue Goose, and is presently president of Stock Fire Insurance Field Club of Georgia.

In addition to the Atlanta office, the Brown organization has branches at New York City, Denver, Phoenix and Lexington, Ky. The organization specializes in writing surplus line and excess covers.

Iowa Accountants Elect

J. S. Tressler, assistant secretary of Hawkeye-Security, Des Moines, was elected president of Iowa Fire & Casualty Accounting & Statistical Assn. at its annual meeting. He succeeds Ralph H. Redus, assistant treasurer of Iowa Mutual, who was named chairman.

M. Holbrook Morrison, assistant treasurer of Inter-Ocean Reinsurance, was named vice-president and Don I. Wilson, auditor of State Automobile, secretary.

To Pick Insuror of Year

Arch Northington, Clarksville, has been named as chairman of a three-man committee to select the Tennessee Assn. of Insurance Agents "insuror of the year." The winner will receive the "Cherokee Cup," given annually by Cherokee Insurance Co., Nashville, at the association's annual meeting Oct. 20-21 at Nashville.

Honor New Cal. C.P.C.U.s

At the all-industry luncheon Oct. 8 sponsored by the Northern California C.P.C.U. chapter, nine more successful candidates for the designation from that area will be presented their credentials. The entire list of successful candidates was published last week. Andrew M. Price, Industrial Indemnity, is chairman of the luncheon committee.

Lob Teams with Moss

The Lob Insurance Agency of New Orleans is being merged with the Hartwig Moss Insurance Agency there, effective Oct. 1. Louis Lob will become executive vice-president of the Hartwig

Moss Agency and the entire staff of the Lob organization will be transferred to the Moss Agency. President of the Moss Agency is W. Irving Moss. Mr. Lob founded his agency after graduating from Tulane in 1921.

Lynch Champaign Adjusting Branch Is Sold to Yanor

Stanley J. Yanor, since 1946 manager of the Lynch Adjustment Co. at Champaign, Ill., has purchased that branch and will operate as Yanor Adjustment Co. The change will not affect other Lynch Adjustment branch offices.

Mr. Yanor, who was with Lynch Adjustment Co. since 1935, is opening a branch at Danville with C. E. Cowdrey as manager. Mr. Cowdrey has been associated with Mr. Yanor for eight years, adjusting in and around Danville.

L. A. Legion Post Elects

Los Angeles Insurance Post, American Legion, has elected these officers: Commander, A. R. Van Noys, Jr.; first vice-commander, Kenneth Campbell; second vice-commander, George Turk; finance officer, Joseph Heydorff; judge advocate, S. M. Kabateck; adjutant, Thomas Dawes; sergeant-at-arms, Robert Schaefer.

Dempsey Back to Seattle

Crum & Forster has transferred George J. Dempsey, who has been with the Pacific department for the past year and a half, to his old field at Seattle as agency superintendent with W. C. Carlyon, resident manager, and Don U. Seaman, special agent.

Mr. Dempsey was special agent at Seattle three years ago. Later, he was for a year and a half in Oregon before going to San Francisco.

Insurance Courses at L. A.

LOS ANGELES — Four evening courses on insurance will be offered at Los Angeles City College starting Sept. 15. "Insurance Law," with special emphasis on the California insurance code, will be taught by Randal H. Lease; "Fire and Inland Marine Insurance" by Wallace C. Nicoll, National Retailers Mutual; "Insurance Principles," an introductory course, by Vincent F. Rocco. "Casualty Claims Adjustment" will be in charge of Claims Managers Forum of Los Angeles.

Two Jaegers Join Father

Fred Jaeger, Jr., and William C. Jaeger have joined their father, Fred F. Jaeger, in the operation of a local agency at Columbus, O.

The elder Mr. Jaeger has been with the agency since 1923 and has operated it since 1933 when he took over from his father, Christian Jaeger, who founded the agency in 1913.

Adopt City Placement Plan

A definite plan for placement of city insurance has been adopted at Lowell, Mass. The coverage will now be divided among 10 city agencies. Amount of insurance is to be increased materially, though there will be little change in premium since the program will be put on a five-year basis.

Charles J. Story, still active as a local agent at Des Moines, celebrated his 90th birthday Aug. 10. He set up his agency about the time most men retire, in 1930 when he was 68. He started in the insurance business in the early 1900's and traveled as an auditor for the former Great Western of Des Moines in Iowa, South Dakota, Minnesota, Kansas and Nebraska.

J. W. Blanton, Sr., of the Blanton, Thomas & Co. agency of Dallas, and Mrs. Blanton are going on a Bermuda trip. They will be in New York for a time where Mr. Blanton will visit company connections.

Coast Quake Loss Still Rises; Little Change in Market

LOS ANGELES — As was the case with preceding disasters in this area, insurance losses from the recent earthquake appear to increase in estimate as time passes. The original overall forecast of a \$3 million maximum insurance loss has been greatly exceeded and is increasing daily as adjustment work progresses.

There has been no general freeing of the earthquake insurance market, nor has there been a rush into the market for a big drive in quake premiums. American companies generally continue to maintain the same underwriting policy as before the shock, staying away from first loss 'quake lines, although some companies will continue to write small line first loss for their good agents.

The general study of first loss, looking toward an enlargement of the domestic market with a revised rating schedule, which was nearing crystallization at the time of the quake, apparently has been dropped, as has the contemplated expansion of the F.I.A. market.

London Lloyds, which bore the largest portion of loss from the catastrophe, is renewing existing lines, although commitments on new business are said to be impossible. Competent London Lloyds brokers say that market was "loaded" before the quake. Any new London Lloyds business is expected to involve a material increase in rates.

The American market writing the assumption coverage appears to be generally undisturbed, although added restrictions call for company inspection of risks for present damage, and other underwriting signs. Risks under this category are classes A and B and frames; tiles generally are on the taboo list. Most companies continue the policy of following an acceptable fire offering, but keeping the line in proportion to the fire, coupled with the inspection proviso.

Of the modern downtown Los Angeles structures that suffered first loss damage, the majority were on 5% deductibles and the insurance loss from 1 to 2%. One London Lloyds brokerage house with an exposure of \$15 million, estimates its loss insurancewise will approach \$1 million on 30 losses.

Deductibles under the assumption clause, written in the American market, generally were insured in London at deducts from \$250 to \$2,500 and rated from 3 to 4%.

Kan. Agents Win in Primary

Laurin W. Jones, Dodge City, former president of Kansas Assn. of Insurance Agents, won the Republican nomination for state senator in the Kansas primary.

O. H. Peltzer, Andale agent, was nominated for Sedgwick county commissioner on the Democratic ticket.

Forms New Adjustment Co.

G. E. McGinnis, an adjuster at Milwaukee for Western Adjustment, has formed Midwestern Adjustment Co. there. He has been in the insurance business 22 years.

Assess for Reopened N. Y. Cases

The New York Workmen's Compensation Board will make an assessment upon all insurers, including the State Insurance Fund and self-insurers, in the total amount of \$315,633.72 in accordance with the W.C. law, to bring the fund for reopened cases up to the full statutory requirement.

The assessment is proportioned to the insurer's compensation payments, compared to the total of all compensation payments, for the year ended Dec. 31, 1951, the assessment rate being .0039329542.

Hobart C. Brady, Wichita agent, has been named a regent of University of Wichita.

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AN APOLOGY

To Wm. B. Joyce, Always on Time

THE NATIONAL UNDERWRITER deeply regrets the error that crept into the story in last week's edition referring to the election of H. D. Reeves as president of Brink's, Inc., designating William B. Joyce, head of William B. Joyce & Co., at 115 Broadway, New York, as "the late Mr. Joyce."

A number of years ago in reporting on the promotion of Mr. Reeves at Joyce & Company at Chicago, such a mistake was made in the columns of THE NATIONAL UNDERWRITER and last week a junior editor with only three years background in the business, referred to this article in the files and innocently repeated the mistake.

Mr. Joyce writes to THE NATIONAL UNDERWRITER in this most tolerant way and in his famed usual good humor:

"I wish to call to your attention the following:

"A few years ago THE NATIONAL UNDERWRITER referred to me as the late Mr. Joyce, and subsequently, learning the error, an apology was made.

"Now in the Aug. 7 issue, you again refer to me as the late Mr. Joyce (in connection with the matter of Mr. Reeves becoming president of Brink's Inc.).

"In light of this erroneous statement, may I suggest that you inform your reporters, and your readers, in a prominent, effective manner, that I always try to be on time. I may have been late in some things, during my 60 years in the insurance business, but I am not now the late Mr. Joyce.

Wis. Fire College Speakers

Several insurance men were on the program for Wisconsin's first fire college, held at Madison. Among the sponsoring organizations were Wisconsin Fire Prevention Assn., Wisconsin Assn. of Insurance Agents and Western Actuarial Bureau.

Speakers were Emmett Cox, Western Actuarial Bureau; Carl Roggenkamp, Wisconsin state agent for Ohio Farmers, president of the fire prevention association; John Townsend, National Board; Norman Davis, Jr., Underwriters Laboratories, and Harry Wolff, Western Actuarial Bureau.

New K. C. Inspection Office

American Underwriters, Inc., of Kansas City, has been incorporated to conduct the business of examining, inspecting, appraising and passing upon all classes of insurance risks.

Reelect at Bellingham

Bellingham (Wash.) Assn. of Insurance Agents has reelected L. P. Abshire, president; Boyd Talbott, vice-president, and Anne E. Byrne, secretary.

Hoffmann Ark. Manager

R. L. Hoffmann has been appointed manager of Arkansas Compensation Rating Bureau, succeeding Wm. H. Edwards, who is joining the New York staff. Mr. Hoffmann has been assistant to the manager of the Missouri bureau.

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H. L. Gotta has been appointed assistant manager of Interstate Compensation Rating Bureau, a newly created position. He has been assistant to the manager of the Connecticut bureau for several years. Before that he was with the Interstate bureau on a temporary basis.

A.I.U. Malayan Expansion Parallels Rubber Boom

NEW YORK — Expansion of American International Underwriters in Singapore and the Federation of Malaya has paralleled the swift development of the area caused by the 1950-51 rubber boom, said W. H. Allman, assistant manager of A.I.U. at Singapore, on a recent visit here. He said that rubber, which had been as low as 2½ cents a pound, rose to a peak of 80 cents, so that even a normal shipment of rubber had tremendous value and stocks of rubber in warehouses awaiting shipment taxed fire insurance facilities of all companies in the Singapore market. Pressure is off now, however, the price having dropped to 20 cents a pound.

"During the peak period A.I.U. was the leader in providing protection to help the industry out," said Mr. Allman. "We also led, and still do, in the provision of riot and civil commotion coverage so essential to insured because of the Communist bandit threat."

A.I.U.'s extensive facilities, said Mr. Allman, helped it play an important role in Malaya by being able to accommodate other main industries in obtaining riot coverage. The bandit loss ratio is still unsatisfactory but new measures for combating the Communists are helping and the situation looks more hopeful.

Discussing casualty business, Mr. Allman said A.I.U. is writing personal accident and automobile insurance. Full coverage auto costs about one-third the New York City rate. The compulsory workmen's compensation ordinance has resulted in many sales in Singapore and Malaya.

Frank Sullivan Renominated

Frank Sullivan, Kansas commissioner, was renominated in the Republican primary. His Democratic opponent is George A. Russell, Jr., of Cottonwood Falls.

McWilliams Morris County Speaker

James McWilliams, assistant manager automobile department of National Bureau of Casualty Underwriters, addressed Morris County (N. J.) Agents Assn.

Seattle Brokerage Firms Merge

Culliton, McDonald & Sargent is a new Seattle brokerage firm succeeding Sargent & Co. and Culliton & McDonald. William M. Culliton is president; Robert L. McDonald, vice-president; Robert Culliton, secretary, and Harrison P. Sargent, treasurer.

R. W. Hanson has been appointed secretary of the Hauge agency of Des Moines. M. A. Hauge is president of the agency. G. S. Hauge, former secretary-treasurer, is now vice-president and treasurer.

The A. M. Settle agency at Okmulgee, Okla., has been sold to the O. K. Taylor agency there.

Barr Adjustment Co. of San Bernardino, Cal., has moved its Riverside, Cal., office to larger quarters at 6934 Magnolia avenue. Manager there is H. S. McElwain.

The C. G. Christ agency of Middletown, O., has been sold to Ralph Grimes. Mr. Christ died recently. Hance S. Hildebrand has purchased the Stentzel agency at Greenville, O. He is a former solicitor for the agency.

A new agency has been established at Seattle by Herbert I. Berns, formerly with Lipman & Esfeld.

New Rates, Restrictions on Pacific Coast Tuna Boats

LOS ANGELES — An increase of 10% in rates for hull coverage on wooden tuna clipper fishing boats of \$50,000 value or over, effective Aug. 1, has been announced by Pacific Coast Hull Assn. No change in rates for steel vessels was made. The association also promulgated restrictions on coverages, and changes in underwriting practices.

Hereafter owners cannot purchase insurance covering power launches attached to the boat, and cannot buy more insurance at present valuation as set forth by the surveyor. New policy forms for the coverage are being prepared and should be in the hands of the producers very soon.

Producers have been notified that all condition surveys on vessels insured must be made by Arthur De Fever or a member of his staff. Insurers will not issue a navigating policy on any vessel where the condition survey report specifies recommendations until the surveyor certifies that all of the recommendations, which in his judgment should be attended to immediately, have been complied with. They will, subject to the surveyor's approval of the risk, grant port risk insurance where the vessel is in port awaiting completion of the surveyor's recommendations, but will not issue a policy on the navigating risk until the surveyor has cleared the vessel.

The changes announced are applicable to all vessels fishing out of U. S. Pacific Coast ports. The vast majority of them fish out of Los Angeles and San Diego as their home ports.

Canadian Tax Allowed as Credit for U. S. Income Tax

The internal revenue department has held that the 2% tax on corporations imposed under the Canadian Old Age Security Act is regarded as an income tax and allowable as credit against U. S. income tax to the extent provided by section 131, internal revenue code.

Opens Agency at Russell, Kan.

J. A. Maronde has opened an agency in the Daily News building at Russell, Kan. He entered the business at Gorman, Kan., in 1927 and for 16 years managed the insurance department of a Russell bank.

Mr. Maronde is now about recovered from an automobile accident which disabled him for six months.

Marvin C. Mogle, Mishawaka, Ind., manager of the North Side agency, operated by First National Bank, was presented a certificate for 25 years' representation of Home at a dinner in his honor. Wilbur F. Scott, Indianapolis, associate state agent of Home, made the presentation.



POSITION WANTED

Experienced copywriter seeks position with single-line company. Commands unlimited supply of superlatives. Has own fountain pen and dictionary; willing to start at rock bottom.

(It broke our heart to let this fellow go but he forgot to tell you that Zurich provides complete Group Coverage.)

Before this monumental oversight results in a grave situation we hasten to inform, ZURICH GROUP PROGRAMS include:

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HOSPITAL EXPENSE BENEFITS
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Companies Oppose Agent Attacks on M.L. Plans

(CONTINUED FROM PAGE 3)

George A. Parker, Kentucky bureau manager, if individual account experience wasn't a radical departure. Mr. Parker answered that it was done for years through the old Interstate Underwriters Board. In reply to a further question, Mr. Parker said there have been cases where the experience factor actually worked against an insured as surcharge for poor experience.

The detailed study comparing multiple location risk costs with those of all other fire and allied lines and which was submitted at the National Assn. of Insurance Commissioners meeting at Chicago in June was entered as an exhibit. According to Mr. McCarl, expense savings resulting from handling multiple location business amounted to 10.6% of premiums collected as compared with other forms of insurance. Mr. Dina said that the savings was 14.4% for the N.I.A.A. plan. He mentioned that this was a company cost study only and did not include the agents' time.

Mr. Loeffler in justifying the credits said they were made on the basis of lower costs to the insurer, with the savings being passed on to the assured who made them possible in the first place. Assured not under the plans would not be affected in any way, he said.

Multiple Line Rating Procedure Set Up in N. C.

RALEIGH — Commissioner Check has set Sept. 1 as the effective date for rules and regulations establishing a procedure for processing multiple line rates, rules and forms in North Carolina.

The regulations are substantially the same as those agreed on last spring at a conference between department officials and representatives of companies and bureaus.

The rules are set up "to provide for orderly development in the writing of fire coverages by a casualty company and casualty coverages by a fire company, as well as the combination of fire and casualty coverages by either, insofar as possible under existing statutes and bureau structures." He promised that the jurisdiction of all statutory and licensed bureaus would be preserved.

Under the new regulations, proposed package policies would be submitted to each bureau having jurisdiction over a portion of the policy. They then would collaborate in developing forms, rules and rates, or they could waive jurisdiction. Rating organizations are required to provide "appropriate means for collaborating with other rating organizations" in connection with overlapping policies. To assure that adequate statistics are available, each rating organization "shall prepare recommended statistical plans" or amendments to existing plans for submission to the commissioner.

A company filing a proposal could appeal if the bureau failed to act within 90 days.

Commissioner Check's ruling imposes no particular hardship on the companies but it is known that M.P.R.O. would have preferred that the ruling be withheld until the situation had jelled a little more firmly and a ruling could be issued based on what problems were found to exist.

Vt. Speakers Are Listed

Speakers have been announced for the annual meeting of Vermont Assn. of Insurance Agents at Fairlee, Sept. 8. They are William F. Dooley, retired vice-president of America Fore; Arthur N. Eagles, director of the Hartford Fire training center; Arthur H. Clarke, superintendent of the automobile department of Springfield F. & M., and Charles W. Tye of the legal department of Royal-Liverpool.

A golf tournament has been scheduled between the Vermont agents and members of Mountain Insurance Field Club.

Auto B.I. and P.D.L. Rates Are Hiked in Eight States

(CONTINUED FROM PAGE 11)

that is \$67 is up \$9, and the one that is \$58 is up \$8. For the remainder of state, the new \$30 rate is up \$6, the \$48 rate is \$8 higher, and the \$42 rate is an increase of \$8.

In Nebraska, private passenger car rate hikes range from \$3 to \$9. For commercial cars affected by higher rates the increases range from \$5 to \$21.

In Omaha and part of Douglas county, the \$32.50 rate becomes \$38, the \$54 rate becomes \$63, and the one that was \$47 is now \$55. For the remainder of state, the \$17 rate becomes \$20, the one that was \$27 is now \$33, and the one that was \$23.50 is now \$29.

\$11 Top Nevada Hike

Private passenger car hikes in Nevada range from \$5 to \$11 and for commercial cars affected by increases they range from \$4 to \$5. The rate that was \$32 is now \$37, the one that was \$52 becomes \$63, and the one that was \$45 becomes \$55.

In Utah, private passenger auto increases range from \$3 to \$9. Commercial car rates are unchanged.

For Salt Lake City and vicinity, the \$32.50 rate is hiked to \$37, the \$52 rate becomes \$61 and the \$45.50 rate becomes \$53. For the remainder of state, the \$28 rate becomes \$31, the one that was \$44 is now \$51, and the one that was \$38 is now \$44.

Increases range from \$5 to \$25 in Florida. In the Jacksonville area the B.I. increase is 53.7% and the P.D.L. hike 39.5%. For the remainder of the state territory the increase is 12.6% for B.I. and 24.4% for P.D.L.

National Safety Council to Observe 40th Birthday

National Safety Council will observe its 40th anniversary in connection with the National Safety Congress at Chicago Oct. 20-24.

A group of safety engineers for steel companies met at Milwaukee in October, 1912, in the first cooperative Safety Congress. Out of their discussions in that six-day meeting came the National Industrial Safety Council. The council soon shed the word "industrial" and became the National Safety Council, the clearing house and major-domo of organized safety today.

It will take five big hotels to hold the convention this fall, with more than 12,000 from all over the world attending. More than 600 speakers will appear at 200 sessions, covering every conceivable phase of safety. In addition, there will be about 250 exhibits covering all types of safety aids.

Theme of the congress will be the need for cooperation in the safety movement. Ned H. Dearborn, president of the council, has made cooperation his chief goal since assuming that post 10 years ago. Emphasis will be placed on the progress that has been made in accident prevention in the four decades. But no effort will be made to minimize the size of the accident toll today and the huge problem it presents.

The congress banquet this year will be highlighted by a tribute to the pioneers of safety who attended that first safety congress in 1912, or who enlisted in the safety movement immediately thereafter. William H. Cameron, who was the first managing director of the council and who held that post until 1942, will be honored at the banquet.

Describes Brazil Situation

Expanding American capital investments in Brazil have increased the demand for American insurance there, according to F. L. Wilkinson, vice-president there of American International Underwriters who was in New York City on a business trip. At least 15 American firms are now either building or seriously considering setting up manu-

facturing facilities at Sao Paulo alone, he said.

A.I.U. in Brazil represents the Firemen's. Head office is at Rio de Janeiro, with a branch at Sao Paulo which Mr. Wilkinson manages.

Mr. Wilkinson said that at the end of 1951 Firemen's had the largest business of approximately 30 foreign insurers operating in Brazil. There are, in addition, 90 national companies. Fire insurance and certain other classes of insurance are subject to compulsory reinsurance in the Reinsurance Bank, Mr. Wilkinson said. Also, by a law enacted to safeguard national companies, all large fire insurers must be compulsorily "coinsured" with national companies.

In the casualty field, the principal line for foreign companies is auto insurance, Mr. Wilkinson said. The rates were increased Jan. 1 and the loss ratio is lower than in the U. S. Marine business mostly is cargo insurance on imports of machinery, autos, and chemicals from the U. S. and Europe. Domestic companies have a monopoly of workmen's compensation and life which foreign companies are not allowed to write.

More Data Released on Auto Placement Survey

(CONTINUED FROM PAGE 13)

and thus shove risks into the assigned risk plan. Something must be done to bring pressure on the companies to underwrite clearly on the basis of the merits of the individual risk and to get away from the practice of refusing a risk because of class experience. Too much good business is being syphoned into the plan, and too much emphasis is being given to past experience of classes instead of looking to the future. The companies are burying their heads in the sand and unless some organization will carry the ball for them, they are going to commit mass suicide by opening the way for a state fund for automobile insurance.

"There is an increasing tendency to make each broker an insurance company. In other words, each loss is charged against him as if he were the underwriter and his account is analyzed to see if he was profitable or not. The insurer instead of performing its function of assuring the risks of many has become in essence a factor."

Insurers Shy From Auto Cover on Term Basis

QUESTION:

An auto physical damage policy can be written for 16 or 24 months to agree with the term of the loan, of course.

About six months ago I saw something stating a liability policy on an auto could also be written for 18 or 24 months just the same way as the physical damage policy, provided there is a loan.

Now I do not know where I saw it and no one seems to know anything about such a provision.

We have a case where a customer has a 24-month loan at the bank and wants one policy for physical damage and liability on his car for 24 months, the entire premium to be added in his note.

Can you help us out? Have you ever heard of anything permitting an auto liability policy to be written for more than a year if there is a loan?

ANSWER — There would be, we are sure, nothing to prevent an independent casualty company from making a filing of automobile liability insurance for more than one year, but we are sorry we do not know of any company which has done so, at least recently. We are pretty sure that before the war a few independent carriers with finance connections were offering this coverage in an attempt to tie up automobile liability insurance for the term of the encumbrance, but we do not have any record of this, and we have not heard of it since the war.

The National Bureau manual, as you know, prohibits writing automobile liability insurance for more than one year,

the only exception being that comprehensive automobile liability policies and combination comprehensive automobile and general liability policies may be written up to three years. However, even under those circumstances, the automobile portion of the premium is subject to ratering annually. The present tense situation of automobile liability rates is, of course, the big reason why a few carriers would be likely to be interested in any arrangement which would commit them to automobile rates for more than a year in advance. We doubt very much if your company, or any other bureau company, would care to consider this coverage today, and very likely the same is true of most independent automobile insurers.

Gives Lower Rates Where Youths Have Driver Training

From Calvin Kytte, assistant director department of public information, Farm Bureau companies.

"One Place for Merit Rating?" in your July 24 issue aroused more than usual interest here. It was the best statement we've seen anywhere for the justification of a rate concession for the trained youthful driver. Whoever wrote it deserves to be commended.

One reason we like the piece, of course, was that since July, 1950, we've been doing just what the editorial proposes — offering considerably reduced rates to drivers in the 18-24 age category who satisfactorily complete an approved driver training course.

As you know, we operate in 12 states and the District of Columbia. In Ohio, West Virginia, Maryland, Delaware, Vermont, Connecticut, South Carolina, and in the District we're now insuring at adult rates those youthful drivers who qualify after completing driver training. Pennsylvania has approved our program but allows only a 15% reduction in the youthful driver rate, not the regular adult rate. Our petition is yet to be filed in New York. North Carolina and Virginia, being bureau states, don't permit us to deviate. Rhode Island alone has turned us down.

Of all the cars we insure that are driven by youthful drivers, about 2% qualify for the lower rate because of driver training. Considering the extent of the training program, this must be viewed as a pretty good percentage. So far only a few commercial driver training schools can qualify a trainee for the lower rate and in high schools there's a shortage of certified teachers for driver training, largely because the course hasn't gained sufficient status. Unhappily, among too many parents and school people, driver training courses are regarded about as suspect as home economics and music courses were regarded a generation ago.

Aetna Fire Me. Changes

Aetna Fire has promoted R. P. Averill from special agent in Maine to state agent there, succeeding the late J. S. Branscombe. Special Agent E. F. Tood, Jr., is being transferred from Norwalk, Conn., to Maine.

Mr. Averill started with a Maine general agency and later was with F.I.A. inspection service. He joined Aetna soon after leaving the army. Mr. Tood joined Aetna in 1950 at the home office. He is an army veteran.

Kenneth C. Brasted, local agent, has been named president of the Wichita board of education.

S. K. HODSDEN, 48, adjuster for the W. C. Couch Adjustment Co. of Hammond, Ind., died of a heart attack at his home at Hobart, Ind. Mr. Hodsdend had been an adjuster for 20 years and was claim manager at Gary, Ind., of Emmco before joining the Couch Adjustment Co. in 1950.

JOHN H. JOKISCH, who had been active in the farm mutual insurance field in Illinois, died at Virginia, Ill., at the age of 76. He was secretary for 27 years of Cass County Mutual Fire and for two years was president of Springfield District Mutual Cyclone.

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The chief port and polit-
ical capital, Charleston, was
founded in 1670 on the banks
of the Ashley River. Ten years
later it was moved to its present
location.

43: SOUTH CAROLINA



A WAR IS SET OFF

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Sumter was bombard-
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Federal garrison evacuated the
fort and the South held it for
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F A M O U S A M E R I C A N H O M E S

*the Home
of the Sage
of Stenton ...*



... Saved by quick-witted Caretaker

WHILE William Penn and his secretary James Logan were traveling to America in 1699, their ship, according to legend, was attacked by pirates. Penn's principles forbade resistance but Logan successfully defended the vessel.

As Penn's confidential adviser, the scholarly Logan wielded great influence in Pennsylvania, in time becoming governor of the colony and mayor of Philadelphia. His home in what is now Germantown was started in 1728 and was named Stenton after his father's birthplace in Scotland. In his own words, he was obliged to spend much time at home, "being wholly reduced to a pair of crutches and Sedentary Life by a fall off my feet." Nevertheless, the curtailment of his physical activity enabled him to devote himself to writing and to his remarkable library.

Logan was exceedingly friendly with the Indians who used to stay at Stenton for long periods, lining the staircase at night or camping in the maple grove. Because of his admiration for Logan, Chief Wingohocking proposed that they exchange names in the Indian custom. Instead, Logan suggested that the chief's name be given to the stream that flowed through the property so that "while the earth shall endure" it would be called Wingohocking. The creek, incidentally, has long since gone underground.

Owned by the Logan family for many years, Stenton was Washington's headquarters before the battle of Brandywine. At the battle of Germantown the house fell into British hands and was occupied briefly by General Howe.

Later in 1777 two dragoons arrived in Germantown for the purpose of carrying out orders to burn the homes of patriots in the neighborhood. While they were in the stable gathering straw to start a fire in Stenton, a party of soldiers came looking for deserters. Dinah, the Negro caretaker, promptly told them that two suspicious men were lurking in the barn and despite their indignant protests the two dragoons were seized. Seventeen houses had been burned, but thanks to Dinah, Stenton was saved.

Now the property of the city of Philadelphia and under the custody of the Pennsylvania Society of The Colonial Dames of America, this important landmark is open to public view.



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